

1 AMENDMENT TO SENATE BILL 1075

2 AMENDMENT NO. _____. Amend Senate Bill 1075, AS AMENDED,
3 by replacing the title with the following:

4 "AN ACT concerning finance."; and

5 by replacing everything after the enacting clause with the
6 following:

7 "ARTICLE 801

8 GENERAL PROVISIONS

9 Section 801-1. Short Title. Articles 80 through 845 of
10 this Act may be cited as the Illinois Finance Authority Act.
11 References to "this Act" in Articles 801 through 845 are
12 references to the Illinois Finance Authority Act.

13 Section 801-5. Findings and declaration of policy. The
14 General Assembly hereby finds, determines and declares:

15 (a) that there are a number of existing State authorities
16 authorized to issue bonds to alleviate the conditions and
17 promote the objectives set forth below; and to provide a
18 stronger, better coordinated development effort, it is
19 determined to be in the interest of promoting the health,
20 safety, morals and general welfare of all the people of the

1 State to consolidate certain of such existing authorities
2 into one finance authority;

3 (b) that involuntary unemployment affects the health,
4 safety, morals and general welfare of the people of the State
5 of Illinois;

6 (c) that the economic burdens resulting from involuntary
7 unemployment fall in part upon the State in the form of
8 public assistance and reduced tax revenues, and in the event
9 the unemployed worker and his family migrate elsewhere to
10 find work, may also fall upon the municipalities and other
11 taxing districts within the areas of unemployment in the form
12 of reduced tax revenues, thereby endangering their financial
13 ability to support necessary governmental services for their
14 remaining inhabitants;

15 (d) that a vigorous growing economy is the basic source
16 of job opportunities;

17 (e) that protection against involuntary unemployment, its
18 economic burdens and the spread of economic stagnation can
19 best be provided by promoting, attracting, stimulating and
20 revitalizing industry, manufacturing and commerce in the
21 State;

22 (f) that the State has a responsibility to help create a
23 favorable climate for new and improved job opportunities for
24 its citizens by encouraging the development of commercial
25 businesses and industrial and manufacturing plants within the
26 State;

27 (g) that increased availability of funds for construction
28 of new facilities and the expansion and improvement of
29 existing facilities for industrial, commercial and
30 manufacturing facilities will provide for new and continued
31 employment in the construction industry and alleviate the
32 burden of unemployment;

33 (h) that in the absence of direct governmental subsidies
34 the unaided operations of private enterprise do not provide

1 sufficient resources for residential construction,
2 rehabilitation, rental or purchase, and that support from
3 housing related commercial facilities is one means of
4 stimulating residential construction, rehabilitation, rental
5 and purchase;

6 (i) that it is in the public interest and the policy of
7 this State to foster and promote by all reasonable means the
8 provision of adequate capital markets and facilities for
9 borrowing money by units of local government, and for the
10 financing of their respective public improvements and other
11 governmental purposes within the State from proceeds of bonds
12 or notes issued by those governmental units; and to assist
13 local governmental units in fulfilling their needs for those
14 purposes by use of creation of indebtedness;

15 (j) that it is in the public interest and the policy of
16 this State to the extent possible, to reduce the costs of
17 indebtedness to taxpayers and residents of this State and to
18 encourage continued investor interest in the purchase of
19 bonds or notes of governmental units as sound and preferred
20 securities for investment; and to encourage governmental
21 units to continue their independent undertakings of public
22 improvements and other governmental purposes and the
23 financing thereof, and to assist them in those activities by
24 making funds available at reduced interest costs for orderly
25 financing of those purposes, especially during periods of
26 restricted credit or money supply, and particularly for those
27 governmental units not otherwise able to borrow for those
28 purposes;

29 (k) that in this State the following conditions exist:

30 (i) an inadequate supply of funds at interest rates
31 sufficiently low to enable persons engaged in agriculture in
32 this State to pursue agricultural operations at present
33 levels; (ii) that such inability to pursue agricultural
34 operations lessens the supply of agricultural commodities

1 available to fulfill the needs of the citizens of this State;
2 (iii) that such inability to continue operations decreases
3 available employment in the agricultural sector of the State
4 and results in unemployment and its attendant problems; (iv)
5 that such conditions prevent the acquisition of an adequate
6 capital stock of farm equipment and machinery, much of which
7 is manufactured in this State, therefore impairing the
8 productivity of agricultural land and, further, causing
9 unemployment or lack of appropriate increase in employment in
10 such manufacturing; (v) that such conditions are conducive to
11 consolidation of acreage of agricultural land with fewer
12 individuals living and farming on the traditional family
13 farm; (vi) that these conditions result in a loss in
14 population, unemployment and movement of persons from rural
15 to urban areas accompanied by added costs to communities for
16 creation of new public facilities and services; (vii) that
17 there have been recurrent shortages of funds for agricultural
18 purposes from private market sources at reasonable rates of
19 interest; (viii) that these shortages have made the sale and
20 purchase of agricultural land to family farmers a virtual
21 impossibility in many parts of the State; (ix) that the
22 ordinary operations of private enterprise have not in the
23 past corrected these conditions; and (x) that a stable supply
24 of adequate funds for agricultural financing is required to
25 encourage family farmers in an orderly and sustained manner
26 and to reduce the problems described above;

27 (1) that for the benefit of the people of the State of
28 Illinois, the conduct and increase of their commerce, the
29 protection and enhancement of their welfare, the development
30 of continued prosperity and the improvement of their health
31 and living conditions it is essential that all the people of
32 the State be given the fullest opportunity to learn and to
33 develop their intellectual and mental capacities and skills;
34 that to achieve these ends it is of the utmost importance

1 that private institutions of higher education within the
2 State be provided with appropriate additional means to assist
3 the people of the State in achieving the required levels of
4 learning and development of their intellectual and mental
5 capacities and skills and that cultural institutions within
6 the State be provided with appropriate additional means to
7 expand the services and resources which they offer for the
8 cultural, intellectual, scientific, educational and artistic
9 enrichment of the people of the State;

10 (m) that in order to foster civic and neighborhood pride,
11 citizens require access to facilities such as educational
12 institutions, recreation, parks and open spaces,
13 entertainment and sports, a reliable transportation network,
14 cultural facilities and theaters and other facilities as
15 authorized by this Act, and that it is the best interests of
16 the State to lower the costs of all such facilities by
17 providing financing through the State; and

18 (n) that to preserve and protect the health of the
19 citizens of the State, and lower the costs of health care,
20 that financing for health facilities should be provided
21 through the State; and it is hereby declared to be the policy
22 of the State, in the interest of promoting the health,
23 safety, morals and general welfare of all the people of the
24 State, to address the conditions noted above, to increase job
25 opportunities and to retain existing jobs in the State, by
26 making available through the Illinois Finance Authority,
27 hereinafter created, funds for the development, improvement
28 and creation of industrial, housing, local government,
29 educational, health, public purpose and other projects; to
30 issue its bonds and notes to make funds at reduced rates and
31 on more favorable terms for borrowing by local governmental
32 units through the purchase of the bonds or notes of the
33 governmental units; and to make or acquire loans for the
34 acquisition and development of agricultural facilities; to

1 provide financing for private institutions of higher
2 education, cultural institutions, health facilities and other
3 facilities and projects as authorized by this Act; and to
4 grant broad powers to Illinois Finance Authority to
5 accomplish and to carry out these policies of the State which
6 are in the public interest of the State and of its taxpayers
7 and residents.

8 Section 801-10. Definitions. The following terms,
9 whenever used or referred to in this Act, shall have the
10 following meanings, except in such instances where the
11 context may clearly indicate otherwise:

12 (a) The term "Authority" means the Illinois Finance
13 Authority created by this Act.

14 (b) The term "project" means an industrial project,
15 housing project, public purpose project, higher education
16 project, health facility project, cultural institution
17 project, agricultural facility or agribusiness, and "project"
18 may include any combination of one or more of the foregoing
19 undertaken jointly by any person with one or more other
20 persons, but "project" shall not include any facility used or
21 to be used for sectarian instruction or as a place of
22 religious worship nor any facility which is used or to be
23 used primarily in connection with any part of the program of
24 a school or department of divinity for any religious
25 denomination or the training of ministers, priests, rabbis or
26 other professional persons in the field of religion.

27 (c) The term "public purpose project" means any project
28 or facility including without limitation land, buildings,
29 structures, machinery, equipment and all other real and
30 personal property, which is authorized or required by law to
31 be acquired, constructed, improved, rehabilitated,
32 reconstructed, replaced or maintained by any unit of
33 government or any other lawful public purpose which is

1 authorized or required by law to be undertaken by any unit of
2 government.

3 (d) The term "industrial project" means the acquisition,
4 construction, refurbishment, creation, development or
5 redevelopment of any facility, equipment, machinery, real
6 property or personal property for use by any instrumentality
7 of the State or its political subdivisions, for use by any
8 person or institution, public or private, for profit or not
9 for profit, or for use in any trade or business including,
10 but not limited to, any industrial, manufacturing or
11 commercial enterprise and which is (1) a capital project
12 including but not limited to: (i) land and any rights
13 therein, one or more buildings, structures or other
14 improvements, machinery and equipment, whether now existing
15 or hereafter acquired, and whether or not located on the same
16 site or sites; (ii) all appurtenances and facilities
17 incidental to the foregoing, including, but not limited to
18 utilities, access roads, railroad sidings, track, docking and
19 similar facilities, parking facilities, dockage, wharfage,
20 railroad roadbed, track, trestle, depot, terminal, switching
21 and signaling or related equipment, site preparation and
22 landscaping; and (iii) all non-capital costs and expenses
23 relating thereto or (2) any addition to, renovation,
24 rehabilitation or improvement of a capital project or (3) any
25 activity or undertaking which the Authority determines will
26 aid, assist or encourage economic growth, development or
27 redevelopment within the State or any area thereof, will
28 promote the expansion, retention or diversification of
29 employment opportunities within the State or any area thereof
30 or will aid in stabilizing or developing any industry or
31 economic sector of the State economy. The term "industrial
32 project" also means the production of motion pictures.

33 (e) The term "bond" or "bonds" shall include bonds, notes
34 (including bond, grant or revenue anticipation notes),

1 certificates and or other evidences of indebtedness
2 representing an obligation to pay money, including refunding
3 bonds.

4 (f) The terms "lease agreement" and "loan agreement"
5 shall mean: (i) an agreement whereby a project acquired by
6 the Authority by purchase, gift or lease is leased to any
7 person, corporation or unit of local government which will
8 use or cause the project to be used as a project as
9 heretofore defined upon terms providing for lease rental
10 payments at least sufficient to pay when due all principal
11 of, interest and premium, if any, on any bonds of the
12 Authority issued with respect to such project, providing for
13 the maintenance, insuring and operation of the project on
14 terms satisfactory to the Authority, providing for
15 disposition of the project upon termination of the lease
16 term, including purchase options or abandonment of the
17 premises, and such other terms as may be deemed desirable by
18 the Authority, or (ii) any agreement pursuant to which the
19 Authority agrees to loan the proceeds of its bonds issued
20 with respect to a project or other funds of the Authority to
21 any person which will use or cause the project to be used as
22 a project as heretofore defined upon terms providing for loan
23 repayment installments at least sufficient to pay when due
24 all principal of, interest and premium, if any, on any bonds
25 of the Authority, if any, issued with respect to the project,
26 and providing for maintenance, insurance and other matters as
27 may be deemed desirable by the Authority.

28 (g) The term "financial aid" means the expenditure of
29 Authority funds or funds provided by the Authority through
30 the issuance of its bonds, notes or other evidences of
31 indebtedness or from other sources for the development,
32 construction, acquisition or improvement of a project.

33 (h) The term "person" means an individual, corporation,
34 unit of government, business trust, estate, trust,

1 partnership or association, 2 or more persons having a joint
2 or common interest, or any other legal entity.

3 (i) The term "unit of government" means the federal
4 government, the State or unit of local government, a school
5 district, or any agency or instrumentality, office, officer,
6 department, division, bureau, commission, college or
7 university thereof.

8 (j) The term "health facility" means: (a) any public or
9 private institution, place, building, or agency required to
10 be licensed under the Hospital Licensing Act; (b) any public
11 or private institution, place, building, or agency required
12 to be licensed under the Nursing Home Care Act; (c) any
13 public or licensed private hospital as defined in the Mental
14 Health and Developmental Disabilities Code; (d) any such
15 facility exempted from such licensure when the Director of
16 Public Health attests that such exempted facility meets the
17 statutory definition of a facility subject to licensure; (e)
18 any other public or private health service institution,
19 place, building, or agency which the Director of Public
20 Health attests is subject to certification by the Secretary,
21 U.S. Department of Health and Human Services under the Social
22 Security Act, as now or hereafter amended, or which the
23 Director of Public Health attests is subject to
24 standard-setting by a recognized public or voluntary
25 accrediting or standard-setting agency; (f) any public or
26 private institution, place, building or agency engaged in
27 providing one or more supporting services to a health
28 facility; (g) any public or private institution, place,
29 building or agency engaged in providing training in the
30 healing arts, including but not limited to schools of
31 medicine, dentistry, osteopathy, optometry, podiatry,
32 pharmacy or nursing, schools for the training of x-ray,
33 laboratory or other health care technicians and schools for
34 the training of para-professionals in the health care field;

1 (h) any public or private congregate, life or extended care
2 or elderly housing facility or any public or private home for
3 the aged or infirm, including, without limitation, any
4 Facility as defined in the Life Care Facilities Act; (i) any
5 public or private mental, emotional or physical
6 rehabilitation facility or any public or private educational,
7 counseling, or rehabilitation facility or home, for those
8 persons with a developmental disability, those who are
9 physically ill or disabled, the emotionally disturbed, those
10 persons with a mental illness or persons with learning or
11 similar disabilities or problems; (j) any public or private
12 alcohol, drug or substance abuse diagnosis, counseling
13 treatment or rehabilitation facility, (k) any public or
14 private institution, place, building or agency licensed by
15 the Department of Children and Family Services or which is
16 not so licensed but which the Director of Children and Family
17 Services attests provides child care, child welfare or other
18 services of the type provided by facilities subject to such
19 licensure; (l) any public or private adoption agency or
20 facility; and (m) any public or private blood bank or blood
21 center. "Health facility" also means a public or private
22 structure or structures suitable primarily for use as a
23 laboratory, laundry, nurses or interns residence or other
24 housing or hotel facility used in whole or in part for staff,
25 employees or students and their families, patients or
26 relatives of patients admitted for treatment or care in a
27 health facility, or persons conducting business with a health
28 facility, physician's facility, surgicenter, administration
29 building, research facility, maintenance, storage or utility
30 facility and all structures or facilities related to any of
31 the foregoing or required or useful for the operation of a
32 health facility, including parking or other facilities or
33 other supporting service structures required or useful for
34 the orderly conduct of such health facility.

1 (k) The term "participating health institution" means a
2 private corporation or association or public entity of this
3 State, authorized by the laws of this State to provide or
4 operate a health facility as defined in this Act and which,
5 pursuant to the provisions of this Act, undertakes the
6 financing, construction or acquisition of a project or
7 undertakes the refunding or refinancing of obligations,
8 loans, indebtedness or advances as provided in this Act.

9 (l) The term "health facility project", means a specific
10 health facility work or improvement to be financed or
11 refinanced (including without limitation through
12 reimbursement of prior expenditures), acquired, constructed,
13 enlarged, remodeled, renovated, improved, furnished, or
14 equipped, with funds provided in whole or in part hereunder,
15 any accounts receivable, working capital, liability or
16 insurance cost or operating expense financing or refinancing
17 program of a health facility with or involving funds provided
18 in whole or in part hereunder, or any combination thereof.

19 (m) The term "bond resolution" means the resolution or
20 resolutions authorizing the issuance of, or providing terms
21 and conditions related to, bonds issued under this Act and
22 includes, where appropriate, any trust agreement, trust
23 indenture, indenture of mortgage or deed of trust providing
24 terms and conditions for such bonds.

25 (n) The term "property" means any real, personal or mixed
26 property, whether tangible or intangible, or any interest
27 therein, including, without limitation, any real estate,
28 leasehold interests, appurtenances, buildings, easements,
29 equipment, furnishings, furniture, improvements, machinery,
30 rights of way, structures, accounts, contract rights or any
31 interest therein.

32 (o) The term "revenues" means, with respect to any
33 project, the rents, fees, charges, interest, principal
34 repayments, collections and other income or profit derived

1 therefrom.

2 (p) The term "higher education project," means, in the
3 case of a private institution of higher education, an
4 educational facility to be acquired, constructed, enlarged,
5 remodeled, renovated, improved, furnished, or equipped, or
6 any combination thereof.

7 (q) The term "cultural institution project," means, in
8 the case of a cultural institution, a cultural facility to be
9 acquired, constructed, enlarged, remodeled, renovated,
10 improved, furnished, or equipped, or any combination thereof.

11 (r) The term "educational facility" means any property
12 located within the State constructed or acquired before or
13 after the effective date of this Act, which is or will be, in
14 whole or in part, suitable for the instruction, feeding,
15 recreation or housing of students, the conducting of research
16 or other work of a private institution of higher education,
17 the use by a private institution of higher education in
18 connection with any educational, research or related or
19 incidental activities then being or to be conducted by it, or
20 any combination of the foregoing, including, without
21 limitation, any such property suitable for use as or in
22 connection with any one or more of the following: an academic
23 facility, administrative facility, agricultural facility,
24 assembly hall, athletic facility, auditorium, boating
25 facility, campus, communication facility, computer facility,
26 continuing education facility, classroom, dining hall,
27 dormitory, exhibition hall, fire fighting facility, fire
28 prevention facility, food service and preparation facility,
29 gymnasium, greenhouse, health care facility, hospital,
30 housing, instructional facility, laboratory, library,
31 maintenance facility, medical facility, museum, offices,
32 parking area, physical education facility, recreational
33 facility, research facility, stadium, storage facility,
34 student union, study facility, theatre or utility. An

1 educational facility shall not include any property used or
2 to be used for sectarian instruction or study or as a place
3 for devotional activities or religious worship nor any
4 property which is used or to be used primarily in connection
5 with any part of the program of a school or department of
6 divinity for any religious denomination.

7 (s) The term "cultural facility" means any property
8 located within the State constructed or acquired before or
9 after the effective date of this Act, which is or will be, in
10 whole or in part, suitable for the particular purposes or
11 needs of a cultural institution, including, without
12 limitation, any such property suitable for use as or in
13 connection with any one or more of the following: an
14 administrative facility, aquarium, assembly hall, auditorium,
15 botanical garden, exhibition hall, gallery, greenhouse,
16 library, museum, scientific laboratory, theater or zoological
17 facility, and shall also include, without limitation, books,
18 works of art or music, animal, plant or aquatic life or other
19 items for display, exhibition or performance. The term
20 "cultural facility" includes buildings on the National
21 Register of Historic Places which are owned or operated by
22 nonprofit entities. A cultural facility shall not include any
23 property used or to be used for sectarian instruction or
24 study or as a place for devotional activities or religious
25 worship nor any property which is used or to be used
26 primarily in connection with any part of the program of a
27 school or department of divinity for any religious
28 denomination.

29 (t) "Private institution of higher education" means a not
30 for profit educational institution which is not owned by the
31 State or any political subdivision, agency, instrumentality,
32 district or municipality thereof, which is authorized by law
33 to provide a program of education beyond the high school
34 level and which:

1 (1) Admits as regular students only individuals
2 having a certificate of graduation from a high school, or
3 the recognized equivalent of such a certificate;

4 (2) Provides an educational program for which it
5 awards a bachelor's degree, or provides an educational
6 program, admission into which is conditioned upon the
7 prior attainment of a bachelor's degree or its
8 equivalent, for which it awards a postgraduate degree, or
9 provides not less than a 2-year program which is
10 acceptable for full credit toward such a degree, or
11 offers a 2-year program in engineering, mathematics, or
12 the physical or biological sciences which is designed to
13 prepare the student to work as a technician and at a
14 semiprofessional level in engineering, scientific, or
15 other technological fields which require the
16 understanding and application of basic engineering,
17 scientific, or mathematical principles or knowledge;

18 (3) Is accredited by a nationally recognized
19 accrediting agency or association or, if not so
20 accredited, is an institution whose credits are accepted,
21 on transfer, by not less than 3 institutions which are so
22 accredited, for credit on the same basis as if
23 transferred from an institution so accredited, and holds
24 an unrevoked certificate of approval under the Private
25 College Act from the Board of Higher Education, or is
26 qualified as a "degree granting institution" under the
27 Academic Degree Act; and

28 (4) Does not discriminate in the admission of
29 students on the basis of race, color or creed. "Private
30 institution of higher education" also includes any
31 "academic institution".

32 (u) The term "academic institution" means any not for
33 profit institution which is not owned by the State or any
34 political subdivision, agency, instrumentality, district or

1 municipality thereof, which institution engages in, or
2 facilitates academic, scientific, educational or professional
3 research or learning in a field or fields of study taught at
4 a private institution of higher education. Academic
5 institutions include, without limitation, libraries,
6 archives, academic, scientific, educational or professional
7 societies, institutions, associations or foundations having
8 such purposes. Academic institution does not include any
9 school or any institution primarily engaged in religious or
10 sectarian activities.

11 (v) The term "cultural institution" means any not for
12 profit institution which is not owned by the State or any
13 political subdivision, agency, instrumentality, district or
14 municipality thereof, which institution engages in the
15 cultural, intellectual, scientific, educational or artistic
16 enrichment of the people of the State. Cultural institutions
17 include, without limitation, aquaria, botanical societies,
18 historical societies, libraries, museums, performing arts
19 associations or societies, scientific societies and
20 zoological societies. Cultural institution does not include
21 any institution primarily engaged in religious or sectarian
22 activities.

23 (w) The term "affiliate" means, with respect to financing
24 of an agricultural facility or an agribusiness, any lender,
25 any person, firm or corporation controlled by, or under
26 common control with, such lender, and any person, firm or
27 corporation controlling such lender.

28 (x) The term "agricultural facility" means land, any
29 building or other improvement thereon or thereto, and any
30 personal properties deemed necessary or suitable for use,
31 whether or not now in existence, in farming, ranching, the
32 production of agricultural commodities (including, without
33 limitation, the products of aquaculture, hydroponics and
34 silviculture) or the treating, processing or storing of such

1 agricultural commodities when such activities are customarily
2 engaged in by farmers as a part of farming.

3 (y) The term "lender" with respect to financing of an
4 agricultural facility or an agribusiness, means any federal
5 or State chartered bank, Federal Land Bank, Production Credit
6 Association, Bank for Cooperatives, federal or State
7 chartered savings and loan association or building and loan
8 association, Small Business Investment Company or any other
9 institution qualified within this State to originate and
10 service loans, including, but without limitation to,
11 insurance companies, credit unions and mortgage loan
12 companies. "Lender" also means a wholly owned subsidiary of a
13 manufacturer, seller or distributor of goods or services that
14 makes loans to businesses or individuals, commonly known as a
15 "captive finance company".

16 (z) The term "agribusiness" means any sole
17 proprietorship, limited partnership, co-partnership, joint
18 venture, corporation or cooperative which operates or will
19 operate a facility located within the State of Illinois that
20 is related to the processing of agricultural commodities
21 (including, without limitation, the products of aquaculture,
22 hydroponics and silviculture) or the manufacturing,
23 production or construction of agricultural buildings,
24 structures, equipment, implements, and supplies, or any other
25 facilities or processes used in agricultural production.
26 Agribusiness includes but is not limited to the following:

27 (1) grain handling and processing, including grain
28 storage, drying, treatment, conditioning, mailing and
29 packaging;

30 (2) seed and feed grain development and processing;

31 (3) fruit and vegetable processing, including
32 preparation, canning and packaging;

33 (4) processing of livestock and livestock products,
34 dairy products, poultry and poultry products, fish or

1 apiarian products, including slaughter, shearing,
2 collecting, preparation, canning and packaging;

3 (5) fertilizer and agricultural chemical
4 manufacturing, processing, application and supplying;

5 (6) farm machinery, equipment and implement
6 manufacturing and supplying;

7 (7) manufacturing and supplying of agricultural
8 commodity processing machinery and equipment, including
9 machinery and equipment used in slaughter, treatment,
10 handling, collecting, preparation, canning or packaging
11 of agricultural commodities;

12 (8) farm building and farm structure manufacturing,
13 construction and supplying;

14 (9) construction, manufacturing, implementation,
15 supplying or servicing of irrigation, drainage and soil
16 and water conservation devices or equipment;

17 (10) fuel processing and development facilities that
18 produce fuel from agricultural commodities or
19 by-products;

20 (11) facilities and equipment for processing and
21 packaging agricultural commodities specifically for
22 export;

23 (12) facilities and equipment for forestry product
24 processing and supplying, including sawmilling
25 operations, wood chip operations, timber harvesting
26 operations, and manufacturing of prefabricated buildings,
27 paper, furniture or other goods from forestry products;

28 (13) facilities and equipment for research and
29 development of products, processes and equipment for the
30 production, processing, preparation or packaging of
31 agricultural commodities and by-products.

32 (aa) The term "asset" with respect to financing of any
33 agricultural facility or any agribusiness, means, but is not
34 be limited to the following: cash crops or feed on hand;

1 livestock held for sale; breeding stock; marketable bonds and
2 securities; securities not readily marketable; accounts
3 receivable; notes receivable; cash invested in growing crops;
4 net cash value of life insurance; machinery and equipment;
5 cars and trucks; farm and other real estate including life
6 estates and personal residence; value of beneficial interests
7 in trusts; government payments or grants; and any other
8 assets.

9 (bb) The term "liability" with respect to financing of
10 any agricultural facility or any agribusiness shall include,
11 but not be limited to the following: accounts payable; notes
12 or other indebtedness owed to any source; taxes, rent;
13 amounts owed on real estate contracts or real estate
14 mortgages; judgments; accrued interest payable; and any other
15 liability.

16 (cc) The term "Predecessor Authorities" means those
17 authorities as described in Section 845-75.

18 (dd) The term "housing project" means a specific work or
19 improvement undertaken to provide residential dwelling
20 accommodations, including the acquisition, construction or
21 rehabilitation of lands, buildings and community facilities
22 and in connection therewith to provide nonhousing facilities
23 which are part of the housing project, including land,
24 buildings, improvements, equipment and all ancillary
25 facilities for use for offices, stores, retirement homes,
26 hotels, financial institutions, service, health care,
27 education, recreation or research establishments, or any
28 other commercial purpose which are or are to be related to a
29 housing development.

30 Section 801-15. There is hereby created a body politic
31 and corporate to be known as the Illinois Finance Authority.
32 The exercise of the powers conferred by law shall be an
33 essential public function. The Authority shall consist of 15

1 members, who shall be appointed by the Governor, with the
2 advice and consent of the Senate. Upon the appointment of the
3 Board and every 2 years thereafter, the chairperson of the
4 Authority shall be selected by the Governor to serve as
5 chairperson for two years. Appointments to the Authority
6 shall be persons of recognized ability and experience in one
7 or more of the following areas: economic development,
8 finance, banking, industrial development, small business
9 management, real estate development, housing, health
10 facilities financing, local government financing, community
11 development, venture finance, construction and labor
12 relations. At the time of appointment, the Governor shall
13 designate 5 members to serve until the third Monday in July
14 2005, 5 members to serve until the third Monday in July 2006
15 and 5 members to serve until the third Monday in July 2007.
16 Thereafter, appointments shall be for 3-year terms. A member
17 shall serve until his or her successor shall be appointed and
18 have qualified for office by filing the oath and bond.
19 Members of the Authority shall not be entitled to
20 compensation for their services as members, but shall be
21 entitled to reimbursement for all necessary expenses incurred
22 in connection with the performance of their duties as
23 members. The Governor may remove any member of the Authority
24 in case of incompetence, neglect of duty, or malfeasance in
25 office, after service on him of a copy of the written charges
26 against him and an opportunity to be publicly heard in person
27 or by counsel in his own defense upon not less than 10 days'
28 notice. From nominations received from the Governor, the
29 members of the Authority shall appoint an Executive Director
30 who shall be a person knowledgeable in the areas of financial
31 markets and instruments, to hold office for a one-year term.
32 The Executive Director shall be the chief administrative and
33 operational officer of the Authority and shall direct and
34 supervise its administrative affairs and general management

1 and perform such other duties as may be prescribed from time
2 to time by the members and shall receive compensation fixed
3 by the Authority. The Executive Director or any committee of
4 the members may carry out such responsibilities of the
5 members as the members by resolution may delegate. The
6 Executive Director shall attend all meetings of the
7 Authority; however, no action of the Authority shall be
8 invalid on account of the absence of the Executive Director
9 from a meeting. The Authority may engage the services of such
10 other agents and employees, including attorneys, appraisers,
11 engineers, accountants, credit analysts and other
12 consultants, as it may deem advisable and may prescribe their
13 duties and fix their compensation. The Authority may appoint
14 Advisory Councils to (1) assist in the formulation of policy
15 goals and objectives, (2) assist in the coordination of the
16 delivery of services, (3) assist in establishment of funding
17 priorities for the various activities of the Authority, and
18 (4) target the activities of the Authority to specific
19 geographic regions. There may be an Advisory Council on
20 Economic Development. The Advisory Council shall consist of
21 no more than 12 members, who shall serve at the pleasure of
22 the Authority. Members of the Advisory Council shall receive
23 no compensation for their services, but may be reimbursed for
24 expenses incurred with their service on the Advisory Council.

25 Section 801-25. All official acts of the Authority shall
26 require the approval of at least 8 members. All meetings of
27 the Authority and the Advisory Councils shall be conducted in
28 accordance with the Open Meetings Act. All meetings shall be
29 conducted at a single location within this State among
30 members physically present at this location. The Auditor
31 General shall conduct financial audits and program audits of
32 the Authority, in accordance with the Illinois State Auditing
33 Act.

1 Section 801-30. The Authority possesses all the powers as
2 a body corporate necessary and convenient to accomplish the
3 purposes of this Act, including, without any intended
4 limitation upon the general powers hereby conferred, the
5 following:

6 (a) to enter into loans, contracts, agreements and
7 mortgages in any manner connected with any of its corporate
8 purposes and to invest its funds;

9 (b) to sue and be sued;

10 (c) to employ agents and employees and independent
11 contractors necessary to carry out its purposes and to fix
12 their compensation, benefits and terms and conditions of
13 their employment;

14 (d) to have and use a common seal and to alter the same
15 at pleasure;

16 (e) to adopt all needful ordinances, resolutions,
17 by-laws, rules and regulations for the conduct of its
18 business and affairs and for the management and use of the
19 projects developed, constructed, acquired and improved in
20 furtherance of its purposes;

21 (f) to have and exercise all powers and be subject to all
22 duties otherwise necessary to effectuate the purposes of this
23 Act. If any of the powers set forth in this Act are exercised
24 within the jurisdictional limits of any municipality, all
25 ordinances of the municipality shall remain in full force and
26 effect and shall be controlling.

27 Section 801-40. In addition to the powers otherwise
28 authorized by law and in addition to the foregoing general
29 corporate powers, the Authority shall also have the following
30 additional specific powers to be exercised in furtherance of
31 the purposes of this Act.

32 (a) The Authority shall have power (i) to accept grants,
33 loans or appropriations from the Federal government or the

1 State, or any agency or instrumentality thereof, to be used
2 for the operating expenses of the Authority, or for any
3 purposes of the Authority, including the making of direct
4 loans of such funds with respect to projects, and (ii) to
5 enter into any agreement with the Federal government or the
6 State, or any agency or instrumentality thereof, in
7 relationship to such grants, loans or appropriations.

8 (b) The Authority shall have power to procure and enter
9 into contracts for any type of insurance and indemnity
10 agreements covering loss or damage to property from any
11 cause, including loss of use and occupancy, or covering any
12 other insurable risk.

13 (c) The Authority shall have the continuing power to
14 issue bonds for its corporate purposes. Bonds may be issued
15 by the Authority in one or more series and may provide for
16 the payment of any interest deemed necessary on such bonds,
17 of the costs of issuance of such bonds, of any premium on any
18 insurance, or of the cost of any guarantees, letters of
19 credit or other similar documents, may provide for the
20 funding of the reserves deemed necessary in connection with
21 such bonds, and may provide for the refunding or advance
22 refunding of any bonds or for accounts deemed necessary in
23 connection with any purpose of the Authority. The bonds may
24 bear interest payable at any time or times and at any rate or
25 rates, notwithstanding any other provision of law to the
26 contrary, and such rate or rates may be established by an
27 index or formula which may be implemented or established by
28 persons appointed or retained therefor by the Authority, or
29 may bear no interest or may bear interest payable at maturity
30 or upon redemption prior to maturity, may bear such date or
31 dates, may be payable at such time or times and at such place
32 or places, may mature at any time or times not later than 40
33 years from the date of issuance, may be sold at public or
34 private sale at such time or times and at such price or

1 prices, may be secured by such pledges, reserves, guarantees,
2 letters of credit, insurance contracts or other similar
3 credit support or liquidity instruments, may be executed in
4 such manner, may be subject to redemption prior to maturity,
5 may provide for the registration of the bonds, and may be
6 subject to such other terms and conditions all as may be
7 provided by the resolution or indenture authorizing the
8 issuance of such bonds. The holder or holders of any bonds
9 issued by the Authority may bring suits at law or proceedings
10 in equity to compel the performance and observance by any
11 person or by the Authority or any of its agents or employees
12 of any contract or covenant made with the holders of such
13 bonds and to compel such person or the Authority and any of
14 its agents or employees to perform any duties required to be
15 performed for the benefit of the holders of any such bonds by
16 the provision of the resolution authorizing their issuance,
17 and to enjoin such person or the Authority and any of its
18 agents or employees from taking any action in conflict with
19 any such contract or covenant. Notwithstanding the form and
20 tenor of any such bonds and in the absence of any express
21 recital on the face thereof that it is non-negotiable, all
22 such bonds shall be negotiable instruments. Pending the
23 preparation and execution of any such bonds, temporary bonds
24 may be issued as provided by the resolution. The bonds shall
25 be sold by the Authority in such manner as it shall
26 determine. The bonds may be secured as provided in the
27 authorizing resolution by the receipts, revenues, income and
28 other available funds of the Authority and by any amounts
29 derived by the Authority from the loan agreement or lease
30 agreement with respect to the project or projects; and bonds
31 may be issued as general obligations of the Authority payable
32 from such revenues, funds and obligations of the Authority as
33 the bond resolution shall provide, or may be issued as
34 limited obligations with a claim for payment solely from such

1 revenues, funds and obligations as the bond resolution shall
2 provide. The Authority may grant a specific pledge or
3 assignment of and lien on or security interest in such
4 rights, revenues, income, or amounts and may grant a specific
5 pledge or assignment of and lien on or security interest in
6 any reserves, funds or accounts established in the resolution
7 authorizing the issuance of bonds. Any such pledge,
8 assignment, lien or security interest for the benefit of the
9 holders of the Authority's bonds shall be valid and binding
10 from the time the bonds are issued without any physical
11 delivery or further act, and shall be valid and binding as
12 against and prior to the claims of all other parties having
13 claims against the Authority or any other person irrespective
14 of whether the other parties have notice of the pledge,
15 assignment, lien or security interest. As evidence of such
16 pledge, assignment, lien and security interest, the Authority
17 may execute and deliver a mortgage, trust agreement,
18 indenture or security agreement or an assignment thereof. A
19 remedy for any breach or default of the terms of any such
20 agreement by the Authority may be by mandamus proceedings in
21 any court of competent jurisdiction to compel the performance
22 and compliance therewith, but the agreement may prescribe by
23 whom or on whose behalf such action may be instituted. It is
24 expressly understood that the Authority may, but need not,
25 acquire title to any project with respect to which it
26 exercises its authority.

27 (d) With respect to the powers granted by this Act, the
28 Authority may adopt rules and regulations prescribing the
29 procedures by which persons may apply for assistance under
30 this Act. Nothing herein shall be deemed to preclude the
31 Authority, prior to the filing of any formal application,
32 from conducting preliminary discussions and investigations
33 with respect to the subject matter of any prospective
34 application.

1 (e) The Authority shall have power to acquire by
2 purchase, lease, gift or otherwise any property or rights
3 therein from any person useful for its purposes, whether
4 improved for the purposes of any prospective project, or
5 unimproved. The Authority may also accept any donation of
6 funds for its purposes from any such source. The Authority
7 shall have no independent power of condemnation but may
8 acquire any property or rights therein obtained upon
9 condemnation by any other authority, governmental entity or
10 unit of local government with such power.

11 (f) The Authority shall have power to develop, construct
12 and improve either under its own direction, or through
13 collaboration with any approved applicant, or to acquire
14 through purchase or otherwise, any project, using for such
15 purpose the proceeds derived from the sale of its bonds or
16 from governmental loans or grants, and to hold title in the
17 name of the Authority to such projects.

18 (g) The Authority shall have power to lease pursuant to a
19 lease agreement any project so developed and constructed or
20 acquired to the approved tenant on such terms and conditions
21 as may be appropriate to further the purposes of this Act and
22 to maintain the credit of the Authority. Any such lease may
23 provide for either the Authority or the approved tenant to
24 assume initially, in whole or in part, the costs of
25 maintenance, repair and improvements during the leasehold
26 period. In no case, however, shall the total rentals from any
27 project during any initial leasehold period or the total loan
28 repayments to be made pursuant to any loan agreement, be less
29 than an amount necessary to return over such lease or loan
30 period (1) all costs incurred in connection with the
31 development, construction, acquisition or improvement of the
32 project and for repair, maintenance and improvements thereto
33 during the period of the lease or loan; provided, however,
34 that the rentals or loan repayments need not include costs

1 met through the use of funds other than those obtained by the
2 Authority through the issuance of its bonds or governmental
3 loans; (2) a reasonable percentage additive to be agreed upon
4 by the Authority and the borrower or tenant to cover a
5 properly allocable portion of the Authority's general
6 expenses, including, but not limited to, administrative
7 expenses, salaries and general insurance, and (3) an amount
8 sufficient to pay when due all principal of, interest and
9 premium, if any on, any bonds issued by the Authority with
10 respect to the project. The portion of total rentals payable
11 under clause (3) of this subsection (g) shall be deposited in
12 such special accounts, including all sinking fund,
13 acquisition or construction funds, debt service and other
14 funds as provided by any resolution, mortgage or trust
15 agreement of the Authority pursuant to which any bond is
16 issued.

17 (h) The Authority has the power, upon the termination of
18 any leasehold period of any project, to sell or lease for a
19 further term or terms such project on such terms and
20 conditions as the Authority shall deem reasonable and
21 consistent with the purposes of the Act. The net proceeds
22 from all such sales and the revenues or income from such
23 leases shall be used to satisfy any indebtedness of the
24 Authority with respect to such project and any balance may be
25 used to pay any expenses of the Authority or be used for the
26 further development, construction, acquisition or improvement
27 of projects. In the event any project is vacated by a tenant
28 prior to the termination of the initial leasehold period, the
29 Authority shall sell or lease the facilities of the project
30 on the most advantageous terms available. The net proceeds of
31 any such disposition shall be treated in the same manner as
32 the proceeds from sales or the revenues or income from leases
33 subsequent to the termination of any initial leasehold
34 period.

1 (i) The Authority shall have the power to make loans to
2 persons to finance a project, to enter into loan agreements
3 with respect thereto, and to accept guarantees from persons
4 of its loans or the resultant evidences of obligations of the
5 Authority.

6 (j) The Authority may fix, determine, charge and collect
7 any premiums, fees, charges, costs and expenses, including,
8 without limitation, any application fees, commitment fees,
9 program fees, financing charges or publication fees from any
10 person in connection with its activities under this Act.

11 (k) In addition to the funds established as provided
12 herein, the Authority shall have the power to create and
13 establish such reserve funds and accounts as may be necessary
14 or desirable to accomplish its purposes under this Act and to
15 deposit its available monies into the funds and accounts.

16 (l) At the request of the governing body of any unit of
17 local government, the Authority is authorized to market such
18 local government's revenue bond offerings by preparing bond
19 issues for sale, advertising for sealed bids, receiving bids
20 at its offices, making the award to the bidder that offers
21 the most favorable terms or arranging for negotiated
22 placements or underwritings of such securities. The Authority
23 may, at its discretion, offer for concurrent sale the revenue
24 bonds of several local governments. Sales by the Authority of
25 revenue bonds under this Section shall in no way imply State
26 guarantee of such debt issue. The Authority may require such
27 financial information from participating local governments as
28 it deems necessary in order to carry out the purposes of this
29 subsection (1).

30 (m) The Authority may make grants to any county to which
31 Division 5-37 of the Counties Code is applicable to assist in
32 the financing of capital development, construction and
33 renovation of new or existing facilities for hospitals and
34 health care facilities under that Act. Such grants may only

1 be made from funds appropriated for such purposes from the
2 Build Illinois Bond Fund or the Build Illinois Purposes Fund.

3 (n) The Authority may establish an urban development
4 action grant program for the purpose of assisting
5 municipalities in Illinois which are experiencing severe
6 economic distress to help stimulate economic development
7 activities needed to aid in economic recovery. The Authority
8 shall determine the types of activities and projects for
9 which the urban development action grants may be used,
10 provided that such projects and activities are broadly
11 defined to include all reasonable projects and activities the
12 primary objectives of which are the development of viable
13 urban communities, including decent housing and a suitable
14 living environment, and expansion of economic opportunity,
15 principally for persons of low and moderate incomes. The
16 Authority shall enter into grant agreements from monies
17 appropriated for such purposes from the Build Illinois Bond
18 Fund or the Build Illinois Purposes Fund. The Authority shall
19 monitor the use of the grants, and shall provide for audits
20 of the funds as well as recovery by the Authority of any
21 funds determined to have been spent in violation of this
22 subsection (n) or any rule or regulation promulgated
23 hereunder. The Authority shall provide technical assistance
24 with regard to the effective use of the urban development
25 action grants. The Authority shall file an annual report to
26 the General Assembly concerning the progress of the grant
27 program.

28 (o) The Authority may establish a Housing Partnership
29 Program whereby the Authority provides zero-interest loans to
30 municipalities for the purpose of assisting in the financing
31 of projects for the rehabilitation of affordable multi-family
32 housing for low and moderate income residents. The Authority
33 may provide such loans only upon a municipality's providing
34 evidence that it has obtained private funding for the

1 rehabilitation project. The Authority shall provide 3 State
2 dollars for every 7 dollars obtained by the municipality from
3 sources other than the State of Illinois. The loans shall be
4 made from monies appropriated for such purpose from the Build
5 Illinois Bond Fund or the Build Illinois Purposes Fund. The
6 total amount of loans available under the Housing Partnership
7 Program shall not exceed \$30,000,000. State loan monies under
8 this subsection shall be used only for the acquisition and
9 rehabilitation of existing buildings containing 4 or more
10 dwelling units. The terms of any loan made by the
11 municipality under this subsection shall require repayment of
12 the loan to the municipality upon any sale or other transfer
13 of the project.

14 (p) The Authority may award grants to universities and
15 research institutions, research consortiums and other
16 not-for-profit entities for the purposes of: remodeling or
17 otherwise physically altering existing laboratory or research
18 facilities, expansion or physical additions to existing
19 laboratory or research facilities, construction of new
20 laboratory or research facilities or acquisition of modern
21 equipment to support laboratory or research operations
22 provided that such grants (i) be used solely in support of
23 project and equipment acquisitions which enhance technology
24 transfer, and (ii) not constitute more than 60 percent of the
25 total project or acquisition cost.

26 (q) Grants may be awarded by the Authority to units of
27 local government for the purpose of developing the
28 appropriate infrastructure or defraying other costs to the
29 local government in support of laboratory or research
30 facilities provided that such grants may not exceed 40% of
31 the cost to the unit of local government.

32 (r) The Authority may establish a Direct Loan Program to
33 make loans to individuals, partnerships or corporations for
34 the purpose of an industrial project, as defined in Section

1 801-10 of this Act. For the purposes of such program and not
2 by way of limitation on any other program of the Authority,
3 the Authority shall have the power to issue bonds, notes, or
4 other evidences of indebtedness including commercial paper
5 for purposes of providing a fund of capital from which it may
6 make such loans. The Authority shall have the power to use
7 any appropriations from the State made especially for the
8 Authority's Direct Loan Program for additional capital to
9 make such loans or for the purposes of reserve funds or
10 pledged funds which secure the Authority's obligations of
11 repayment of any bond, note or other form of indebtedness
12 established for the purpose of providing capital for which it
13 intends to make such loans under the Direct Loan Program. For
14 the purpose of obtaining such capital, the Authority may also
15 enter into agreements with financial institutions and other
16 persons for the purpose of selling loans and developing a
17 secondary market for such loans. Loans made under the Direct
18 Loan Program may be in an amount not to exceed \$300,000 and
19 shall be made for a portion of an industrial project which
20 does not exceed 50% of the total project. No loan may be made
21 by the Authority unless approved by the affirmative vote of
22 at least 8 members of the board. The Authority shall
23 establish procedures and publish rules which shall provide
24 for the submission, review, and analysis of each direct loan
25 application and which shall preserve the ability of each
26 board member to reach an individual business judgment
27 regarding the propriety of making each direct loan. The
28 collective discretion of the board to approve or disapprove
29 each loan shall be unencumbered. The Authority may establish
30 and collect such fees and charges, determine and enforce such
31 terms and conditions, and charge such interest rates as it
32 determines to be necessary and appropriate to the successful
33 administration of the Direct Loan Program. The Authority may
34 require such interests in collateral and such guarantees as

1 it determines are necessary to project the Authority's
2 interest in the repayment of the principal and interest of
3 each loan made under the Direct Loan Program.

4 (s) The Authority may guarantee private loans to third
5 parties up to a specified dollar amount in order to promote
6 economic development in this State.

7 (t) The Authority may adopt rules and regulations as may
8 be necessary or advisable to implement the powers conferred
9 by this Act.

10 (u) The Authority shall have the power to issue bonds,
11 notes or other evidences of indebtedness, which may be used
12 to make loans to units of local government which are
13 authorized to enter into loan agreements and other documents
14 and to issue bonds, notes and other evidences of indebtedness
15 for the purpose of financing the protection of storm sewer
16 outfalls, the construction of adequate storm sewer outfalls,
17 and the provision for flood protection of sanitary sewage
18 treatment plans, in counties that have established a
19 stormwater management planning committee in accordance with
20 Section 5-1062 of the Counties Code. Any such loan shall be
21 made by the Authority pursuant to the provisions of Section
22 820-5 to 820-60 of this Act. The unit of local government
23 shall pay back to the Authority the principal amount of the
24 loan, plus annual interest as determined by the Authority.
25 The Authority shall have the power, subject to appropriations
26 by the General Assembly, to subsidize or buy down a portion
27 of the interest on such loans, up to 4% per annum.

28 (v) The Authority may accept security interests as
29 provided in Sections 11-3 and 11-3.3 of the Illinois Public
30 Aid Code.

31 (w) Moral Obligation. In the event that the Authority
32 determines that monies of the Authority will not be
33 sufficient for the payment of the principal of and interest
34 on its bonds during the next State fiscal year, the

1 Chairperson, as soon as practicable, shall certify to the
2 Governor the amount required by the Authority to enable it to
3 pay such principal of and interest on the bonds. The Governor
4 shall submit the amount so certified to the General Assembly
5 as soon as practicable, but no later than the end of the
6 current State fiscal year. This subsection shall apply only
7 to any bonds or notes as to which the Authority shall have
8 determined, in the resolution authorizing the issuance of the
9 bonds or notes, that this subsection shall apply. Whenever
10 the Authority makes such a determination, that fact shall be
11 plainly stated on the face of the bonds or notes and that
12 fact shall also be reported to the Governor. In the event of
13 a withdrawal of moneys from a reserve fund established with
14 respect to any issue or issues of bonds of the Authority to
15 pay principal or interest on those bonds, the Chairperson of
16 the Authority, as soon as practicable, shall certify to the
17 Governor the amount required to restore the reserve fund to
18 the level required in the resolution or indenture securing
19 those bonds. The Governor shall submit the amount so
20 certified to the General Assembly as soon as practicable, but
21 no later than the end of the current State fiscal year. The
22 Authority shall obtain written approval from the Governor for
23 any bonds and notes to be issued under this Section. In
24 addition to any other bonds authorized to be issued under
25 Sections 825-60, 825-65(e), 830-25 and 845-5, the principal
26 amount of Authority bonds outstanding issued under this
27 Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS
28 360/2-6(c), which have been assumed by the Authority, shall
29 not exceed \$150,000,000.

30 Section 801-45. Property Taxation. The property of the
31 Authority and its respective income and operations, shall be
32 exempt from taxation.

ARTICLE 805

INDUSTRIAL REVENUE BOND INSURANCE FUND

Section 805-5. Findings and Declaration of Policy. It is hereby found and declared that a continuing need exists to maintain and develop the State's economy; that there are significant barriers in the capital markets inhibiting the issuance by the Authority of industrial revenue bonds to assist in financing industrial projects in the State, particularly for smaller firms; and that the establishment of the Industrial Revenue Bond Insurance Fund and the exercise by the Authority of the powers granted in this Article will promote economic development by widening the market for the Authority's revenue bonds.

Section 805-10. Definitions. The following terms, whenever used or referred to in this Article, shall have the following meanings ascribed to them, except where the context clearly requires otherwise:

(a) "Financial Institution" means a financial institution which is a trust company, a bank, a savings bank, a credit union, an investment bank, a broker, an investment trust, a pension fund, a building and loan association, a savings and loan association, an insurance company, or any other institution acceptable to the Authority, authorized to do business in the State and approved by the Authority to insure bonds or loans for industrial projects authorized by this Act.

(b) "Participating lender" means any trust company, bank, savings bank, credit union, investment bank, broker, investment trust, pension fund, building and loan association, savings and loan association, insurance company or other institution approved by the Authority which assumes a portion of the risk on a loan for an industrial project as

1 provided in Section 805-30 of this Act.

2 Section 805-15. Industrial Project Insurance Fund. There
3 is created the Industrial Project Insurance Fund, hereafter
4 referred to in Sections 805-15 through 805-50 of this Act as
5 the "Fund." The Treasurer shall have custody of the Fund,
6 which shall be held outside of the State Treasury, except
7 that custody may be transferred to and held by any bank,
8 trust company or other fiduciary with whom the Authority
9 executes a trust agreement as authorized by paragraph (h) of
10 Section 805-20 of this Act. Any portion of the Fund against
11 which a charge has been made, shall be held for the benefit
12 of the holders of the loans or bonds insured under Section
13 805-20 of this Act. There shall be deposited in the Fund such
14 amounts, including but not limited to:

15 (a) All receipts of bond and loan insurance premiums;

16 (b) All proceeds of assets of whatever nature received by
17 the Authority as a result of default or delinquency with
18 respect to insured loans or bonds with respect to which
19 payments from the Fund have been made, including proceeds
20 from the sale, disposal, lease or rental of real or personal
21 property which the Authority may receive under the provisions
22 of this Article but excluding the proceeds of insurance
23 hereunder;

24 (c) All receipts from any applicable contract or
25 agreement entered into by the Authority under paragraph (b)
26 of Section 805-20 of this Act;

27 (d) Any State appropriations, transfers of
28 appropriations, or transfers of general obligation bond
29 proceeds or other monies made available to the Fund. Amounts
30 in the Fund shall be used in accordance with the provisions
31 of this Article to satisfy any valid insurance claim payable
32 therefrom and may be used for any other purpose determined by
33 the Authority in accordance with insurance contract or

1 contracts with financial institutions entered into pursuant
2 to this Act, including without limitation protecting the
3 interest of the Authority in industrial projects during
4 periods of loan delinquency or upon loan default through the
5 purchase of industrial projects in foreclosure proceedings or
6 in lieu of foreclosure or through any other means. Such
7 amounts may also be used to pay administrative costs and
8 expenses reasonably allocable to the activities in connection
9 with the Fund and to pay taxes, maintenance, insurance,
10 security and any other costs and expenses of bidding for,
11 acquiring, owning, carrying and disposing of industrial
12 projects which were financed with the proceeds of insured
13 bonds or loans. In the case of a default in payment with
14 respect to any loan, mortgage or other agreement so insured,
15 the amount of the default shall immediately, and at all times
16 during the continuance of such default, and to the extent
17 provided in any applicable agreement, constitute a charge on
18 the Fund. Any amounts in the Fund not currently needed to
19 meet the obligations of the Fund may be invested as provided
20 by law in obligations designated by the Authority, and all
21 income from such investments shall become part of the Fund.
22 In making such investments, the Authority shall act with the
23 care, skill, diligence and prudence under the circumstances
24 of a prudent person acting in a like capacity in the conduct
25 of an enterprise of like character and with like aims. It
26 shall diversify such investments of the Authority so as to
27 minimize the risk of large losses, unless under the
28 circumstances it is clearly not prudent to do so. Any amounts
29 in the Fund not needed to meet the obligations of the Fund
30 may be transferred to the Credit Enhancement Development Fund
31 of the Authority pursuant to resolution of the members of the
32 Authority.

33 Section 805-20. Powers and Duties; Industrial Project

1 Insurance Program. The Authority has the power:

2 (a) To insure and made advance commitments to insure all
3 or any part of the payments required on the bonds issued or a
4 loan made to finance any environmental facility under the
5 Illinois Environmental Facilities Financing Act or for any
6 industrial project upon such terms and conditions as the
7 Authority may prescribe in accordance with this Article. The
8 insurance provided by the Authority shall be payable solely
9 from the Fund created by Section 805-15 and shall not
10 constitute a debt or pledge of the full faith and credit of
11 the State, the Authority, or any political subdivision
12 thereof;

13 (b) To enter into insurance contracts, letters of credit
14 or any other agreements or contracts with financial
15 institutions with respect to the Fund and any bonds or loans
16 insured thereunder. Any such agreement or contract may
17 contain terms and provisions necessary or desirable in
18 connection with the program, subject to the requirements
19 established by this Act, including without limitation terms
20 and provisions relating to loan documentation, review and
21 approval procedures, origination and servicing rights and
22 responsibilities, default conditions, procedures and
23 obligations with respect to insurance contracts made under
24 this Act. The agreements or contracts may be executed on an
25 individual, group or master contract basis with financial
26 institutions;

27 (c) To charge reasonable fees to defray the cost of
28 obtaining letters of credit or other similar documents, other
29 than insurance contracts under paragraph (b). Any such fees
30 shall be payable by such person, in such amounts and at such
31 times as the Authority shall determine, and the amount of the
32 fees need not be uniform among the various bonds or loans
33 insured;

34 (d) To fix insurance premiums for the insurance of

1 payments under the provisions of this Article. Such premiums
2 shall be computed as determined by the Authority. Any
3 premiums for the insurance of loan payments under the
4 provisions of this Act shall be payable by such person, in
5 such amounts and at such times as the Authority shall
6 determine, and the amount of the premiums need not be uniform
7 among the various bonds or loans insured;

8 (e) To establish application fees and prescribe
9 application, notification, contract and insurance forms,
10 rules and regulations it deems necessary or appropriate;

11 (f) To make loans and to issue bonds secured by insurance
12 or other agreements authorized by paragraphs (a) and (b) of
13 this Section 805-20 and to issue bonds secured by loans that
14 are guaranteed by the federal government or agencies thereof;

15 (g) To issue a single bond issue, or a series of bond
16 issues, for a group of industrial projects, a group of
17 corporations, or a group of business entities or any
18 combination thereof insured by insurance or backed by any
19 other agreement authorized by paragraphs (a) and (b) of this
20 Section or secured by loans that are guaranteed by the
21 federal government or agencies thereof;

22 (h) To enter into trust agreements for the management of
23 the Fund created under Section 805-15 of this Act; and

24 (i) To exercise such other powers as are necessary or
25 incidental to the foregoing.

26 Section 805-25. Insurance Contracts; Claim
27 Responsibility. Any contract of insurance made by the
28 Authority with a lender or bondholder or for the benefit
29 thereof under this Act shall provide that claims payable
30 under such contract shall be paid from any amounts available
31 in the Fund and from any amounts available under the terms of
32 any applicable contract or agreement with other financial
33 institutions, in such order of priority as the Authority

1 shall deem appropriate. The obligation of the Authority to
2 make payments under any such contract shall be limited solely
3 to the amounts provided in such contract and shall not
4 constitute a debt or liability of the State, the Authority or
5 any subdivision thereof. Any insurance contract or other
6 agreement with a lender or bondholder or for the benefit
7 thereof and any rule or regulation of the Authority
8 implementing the insurance program may contain such other
9 terms, provisions or conditions as the Authority deems
10 necessary or appropriate, including, without limitation,
11 those relating to the payment of insurance premiums, the
12 giving of notice, claim procedures, the sources of payment
13 for claims, the priority of competing claims for payment, the
14 release or termination of loan security and borrower
15 liability, the timing of payment, the maintenance and
16 disposition of industrial projects and the use of amounts
17 received during periods of delinquency or upon default, and
18 any other provisions concerning the rights of insured parties
19 or conditions to the payment of insurance claims.

20 Section 805-30. Applications for Insured Industrial
21 Project Loans; Procedures. Applications received by the
22 Authority shall be forwarded to a credit review committee
23 consisting of 3 persons experienced in industrial financing
24 selected by the Authority for a review and report concerning
25 the advisability of approving the proposed insurance. The
26 review and report shall include facts about the company's
27 history, job opportunities, stability of employment,
28 financial condition and structure, income statements, market
29 prospects and management, and any other facts material to the
30 insurance request. The report shall include a reasoned
31 opinion as to whether providing the insurance would tend to
32 fulfill the purposes of the Authority and the insurance
33 program. The report shall be advisory in nature only. Payment

1 shall be made to the members of the committee selected by the
2 Authority on a reasonable consultant basis, as the Authority
3 may determine. The credit review committee shall be of such
4 composition, act for such time and have such powers as shall
5 be specified in the agreement or agreements establishing its
6 existence and, to the extent so specified, shall act for the
7 Authority in matters concerning the insurance program
8 authorized by Sections 805-5 through 805-45 of this Act. The
9 Authority shall, on the basis of the application, the report
10 of the credit review committee, the information provided by
11 the local or regional industrial development agency, and any
12 other appropriate information, prepare a report concerning
13 the credit worthiness of the proposed borrower, the loan
14 record of the participating lender, the financial commitment
15 of the participating lender, the manner in which the proposed
16 industrial project will advance the economy of the State and
17 the soundness of the proposed loan. The Fund, or any portion
18 thereof against which a charge has been made, shall be held
19 for the benefit of the holders of the bonds or loans insured
20 under Section 805-20 of this Act, as provided by agreement
21 between the Authority and such holders. The Authority shall
22 be satisfied that the Fund is protected by adequate security
23 on all bonds or loans insured by the Authority.

24 Section 805-35. Loan Approval Standards. Before approving
25 any bond or loan insurance under this Act, the Authority
26 shall find that any loan insured by or to be made from the
27 proceeds of bonds insured by the Authority under this Act
28 shall:

29 (a) Be made for an industrial project or any
30 environmental facility under the Illinois Environmental
31 Facilities Financing Act;

32 (b) Be made to a borrower approved by the Authority as
33 responsible and creditworthy;

1 (c) Be reviewed for insurance by the credit review
2 committee established by the Authority pursuant to this Act;

3 (d) In the case of real property, be secured by a first
4 mortgage on the property, or by any other security
5 satisfactory to the Authority to secure payment of the loans,
6 and have a maturity date not later than 25 years after the
7 date of the loan;

8 (e) In the case of machinery and equipment, be secured by
9 a first security interest in the machinery and equipment, or
10 by any other security satisfactory to the Authority to secure
11 payment of the loan, and have a maturity date not later than
12 12 years from the date of the loan;

13 (f) Contain complete amortization provisions satisfactory
14 to the Authority;

15 (g) Be in such principal amount and form, and contain
16 such terms and provisions with respect to property insurance,
17 repairs, alterations, payment of taxes and assessments,
18 delinquency charges, default remedies, additional security
19 and other matters as the Authority shall determine;

20 (h) Be made only after the Authority has made a
21 determination that, in its sole opinion, the loan has the
22 potential to provide or retain substantial employment in
23 relation to the principal amount of the loan to be insured,
24 which employment, so far as feasible, may be expected to be
25 of residents of areas of critical labor surplus;

26 (i) Be made only after the Authority has made a
27 determination that, in its sole opinion, adequate provision
28 is being or will be made to meet any increased demand upon
29 community public facilities that will likely result from the
30 project; and

31 (j) Be made only after the Authority has made a
32 determination that, in its sole opinion, the public interest
33 is adequately protected by the terms of the loan and of the
34 insurance contract or other agreements. Any contract of

1 insurance executed by the Authority under this Act shall be
2 conclusive evidence of eligibility for such insurance, and
3 the validity of any contract of insurance so executed or of
4 an advance commitment to insure shall be incontestable in the
5 hands of a borrower or bondholder from the date of execution
6 and delivery of the contract or commitment, except for fraud,
7 or misrepresentation on the part of the borrower and, as to
8 commitments to insure, noncompliance with the commitment or
9 Authority rules or regulations in force at the time of
10 issuance of the commitment. Nothing in this Act shall be
11 construed as creating any rights of a competitor of an
12 approved borrower or any applicant whose application is
13 denied by the Authority to challenge any application which is
14 accepted by the Authority and any loan, contract of insurance
15 or other agreement executed in connection therewith.

16 Section 805-40. Investments in Insured Debts of the
17 Authority. The State and all counties, municipalities and
18 other public corporations, political subdivisions and public
19 bodies, and public officers of any thereof, all banks,
20 bankers, trust companies, savings banks and institutions,
21 building and loan associations, savings and loan
22 associations, investment companies and other persons carrying
23 on a banking business, all insurance companies, insurance
24 associations and other persons carrying on an insurance
25 business and all executors, administrators, guardians,
26 trustees and other fiduciaries may legally invest any sinking
27 funds, moneys or other funds belonging to them or within
28 their control in any bonds, loans or extension of credit
29 which are the subject of insurance pursuant to this Article,
30 it being the purpose of this Section to authorize the
31 investment of such bonds, loans or extension of credit of all
32 sinking, insurance, retirement, compensation, pension and
33 trust funds, whether owned or controlled by private or public

1 persons or officers; provided, however, that nothing
2 contained in this Section may be construed as relieving any
3 persons from any duty of exercising reasonable care in
4 selecting securities for purchase or investment. The bonds
5 and any loan or extension of credit which are the subject of
6 insurance pursuant to this Article are also hereby made
7 securities which may properly and legally be deposited with
8 and received by all public officers and bodies of the State
9 or any agency or political subdivisions thereof and all
10 municipalities and public corporations for any purpose for
11 which the deposit of bonds is now or may hereafter be
12 authorized by law.

13 Section 805-45. Cooperation with Local Industrial
14 Development Agencies. When the Authority receives an
15 application from a potential insured loan borrower, it shall
16 promptly notify the local industrial development agency of
17 that fact in writing if such an agency exists in the
18 municipality or county where such industrial project is
19 proposed to be financed; or the corporate authorities in such
20 municipality where no such agency exists. The Authority shall
21 provide the local industrial development agency with any
22 available information that the agency needs to prepare a
23 recommendation concerning the advisability of the industrial
24 project and its impact, economic and otherwise, on the
25 community and the State. Such application shall include a
26 written authorization by the applicant that such notification
27 and information be made available to such agency or
28 municipality to the extent that such information is not
29 deemed to be confidential under Section 805-50 of this Act.
30 The Authority shall not consider any application that does
31 not include such written authorization. The Authority shall
32 encourage financial participation by local industrial
33 development agencies by giving priority consideration to

1 insured loan applicants from areas serviced by those agencies
2 that have demonstrated a commitment to economic development.

3 Section 805-50. Documentary material concerning trade
4 secrets; Commercial or financial information;
5 Confidentiality. Any documentary materials or data made or
6 received by any member, agent, or employee of the Authority
7 or the credit review committees, to the extent that such
8 materials or data consist of trade secrets, commercial or
9 financial information regarding the operation of any
10 enterprise conducted by an applicant for, or recipient of,
11 any form of assistance which the Authority is empowered to
12 render under this Article, or regarding the competitive
13 position of such enterprise in a particular field of
14 endeavor, shall not be deemed public records.

15 ARTICLE 810

16 VENTURE INVESTMENT FUND

17 Section 810-5. Findings and Declaration of Policy. It is
18 hereby found and declared that a continuing need exists to
19 maintain and develop the State's economy; that assisting and
20 encouraging economic development through private enterprise
21 will help to create and maintain employment and governmental
22 revenues and is an important function of the State; that the
23 availability of seed capital and equity capital is an
24 important inducement to enterprises to remain, locate and
25 expand in the State; that there exists in the State gaps in
26 the availability of capital for the development and
27 exploitation of new technologies, products, processes and
28 inventions and that this shortage has resulted and will
29 continue to result in a shortfall in the development of new
30 enterprises and employment in Illinois; that the
31 establishment of the Illinois Venture Investment Fund and the

1 exercise by the Authority of the powers granted in Sections
2 810-5 through 810-40 of this Act will promote economic
3 development resulting in increased employment and public
4 revenues; and that the provisions of this Act are hereby
5 declared to be in the public interest and for the public
6 benefit.

7 Section 810-10. Definitions. The following terms,
8 whenever used or referred to in this Article, shall have the
9 following meanings ascribed to them, except where the context
10 clearly requires otherwise:

11 (a) "Co-venture investment" means a venture capital or
12 seed capital investment by the Authority in qualified
13 securities of an enterprise that is made after or in
14 conjunction with one or more professional investors that have
15 or are making equity investments in that enterprise, as
16 provided in this Act. A direct investment made by the
17 Authority may later be treated as a co-venture upon such
18 investment made by a professional investor.

19 (b) "Direct investment" means a venture capital or seed
20 capital investment by the Authority in qualified securities
21 of an enterprise in which no professional investor or seed
22 capital investor is also making an equity investment.

23 (c) "Enterprise" means an individual, corporation,
24 partnership, joint venture, trust, estate, or unincorporated
25 association.

26 (d) "Professional investor" means any bank, bank holding
27 company, savings institution, trust company, credit union,
28 insurance company, investment company registered under the
29 Federal Investment Company Act of 1940, pension or
30 profit-sharing trust or other financial institution or
31 institutional buyer, licensee under the Federal Small
32 Business Investment Act of 1958, or any person, partnership,
33 or other entity whose principal business is making venture

1 capital investments and whose net worth exceeds \$250,000.

2 (e) "Qualified security" means any note, stock,
3 convertible security, treasury stock, bond, debenture,
4 evidence of indebtedness, limited partnership interest,
5 certificate of interest or participation in any
6 profit-sharing agreement, pre-organization certificate or
7 subscription, transferable share, investment contract,
8 certificate of deposit for a security, certificate of
9 interest or participation in a patent or application
10 therefor, or in royalty or other payments under a patent or
11 application, or, in general, any interest or instrument
12 commonly known as a "security" or any certificate for,
13 receipt for, guarantee of, or option, warrant, or right to
14 subscribe to or purchase any of the foregoing.

15 (f) "Seed capital" means financing in the form of
16 investments in qualified securities that is provided for
17 applied research, development, testing, and initial marketing
18 of a technology, product, process, or invention and
19 associated working capital.

20 (g) "Seed capital investor" means any person,
21 partnership, corporation, trust, or other entity making a
22 seed capital investment.

23 (h) "Director" means the person designated by the
24 Authority to manage the activities associated with the
25 Illinois Venture Investment Fund.

26 (i) "Venture capital" means financing in the form of
27 investments in qualified securities that is provided for the
28 capital needs of a company that is developing a new
29 technology, product, process, or invention.

30 Section 810-15. Illinois Venture Investment Fund. There
31 is created the Illinois Venture Investment Fund, hereafter
32 referred to in this Article as the "Fund." The Treasurer of
33 the Authority shall have custody of the Fund, which shall be

1 held outside of the State Treasury. The Authority is
2 authorized to accept any and all grants, loans, including
3 loans from State public employee pension funds, as authorized
4 by this Act or any other statute, subsidies, matching funds,
5 reimbursements, appropriations, transfers of appropriations,
6 federal grant monies, income derived from investments, or
7 other things of value from the federal or state governments
8 or any agency of any other state or from any institution,
9 person, firm or corporation, public or private, for deposit
10 in the Fund. The Authority is authorized to use monies
11 deposited in the Fund expressly for the purposes specified in
12 and according to the procedures established by Sections
13 810-20 through 810-40 of this Act. The Authority may appoint
14 a Director to manage the activities associated with the Fund.
15 Such Director shall receive compensation as determined by the
16 Authority.

17 Section 810-20. Powers and Duties; Illinois Venture
18 Investment Fund Limits. The Authority shall invest and
19 reinvest the Fund and the income, thereof, in the following
20 ways:

21 (a) To make a direct investment in qualified securities
22 issued by enterprises and to dispose of those securities
23 within 10 years after the date of the direct investment as
24 determined by the Authority for the purpose of providing
25 venture capital or seed capital, provided that the investment
26 shall not exceed 49% of the estimated cost of development,
27 testing, and initial production and marketing and associated
28 working capital for the technology, product, process, or
29 invention, or \$750,000, whichever is less;

30 (b) To enter into written agreements or contracts
31 (including limited partnership agreements) with one or more
32 professional investors or one or more seed capital investors,
33 if any, for the purpose of establishing a pool of funds to be

1 used exclusively as venture capital or seed capital
2 investments. The Authority shall not invest more than
3 \$2,000,000 in a single pool of funds or affiliated pools of
4 funds. The agreement or contract shall provide for the pool
5 of funds to be managed by a professional investor. The
6 manager may be the general partner of a limited partnership
7 of which the Authority is a limited partner. The agreement or
8 contract may provide for reimbursement of expenses of, and
9 payment of a fee to, the manager. The agreement or contract
10 may also provide for payment to the manager of a percentage,
11 not to exceed 40% (computed on an annual basis), of cash and
12 other property payable to the Authority as its pro-rata share
13 of distributions to investors in the pool of funds, provided
14 that (i) no amount shall be received by the manager upon sale
15 or other disposition of qualified investments in enterprises
16 until recovery by the Authority of its investment and upon
17 liquidation or withdrawal of the Authority from the pool of
18 funds, the manager shall be obligated to refund any amount
19 received by it from such percentage if necessary to allow the
20 Authority to recover its investment or (ii) the terms of
21 payment of cash and other property to the Authority are no
22 less favorable to the Authority than payments to other seed
23 capital investors (other than the manager) who are parties to
24 the agreement or contract.

25 (c) To make co-venture investments by entering into
26 agreements with one or more professional investors or one or
27 more seed capital investors, if any, who have formally agreed
28 to invest at least 50% as much as the Authority invests in
29 the enterprise, for the purpose of providing venture capital
30 or seed capital; but no more than \$1,000,000 shall be
31 invested by the Authority in the qualified securities of a
32 single enterprise. A total of not more than \$1,500,000 may be
33 invested in the securities of a single enterprise, if the
34 Authority shall find, after the initial investment by the

1 Authority, that additional investments in the enterprise are
2 necessary to protect or enhance the initial investment of the
3 Authority. Each co-venture investment agreement shall provide
4 that the Authority will recover its investment before or
5 simultaneously with any distribution to participating
6 professional investors or seed capital investors. The
7 Authority and participating professional investors and seed
8 capital investors shall share ratably in the profits earned
9 in any form on the co-venture investment, but the Authority
10 may, at its discretion, agree to pay to a participating
11 professional investor a percentage, not to exceed 40%
12 (computed on an annual basis), of cash and other property
13 payable to the Authority as its pro-rata share of
14 distributions to investors in the pool of funds, provided
15 that (i) no amount shall be received by the participating
16 professional investor upon sale or other disposition of
17 qualified investments in the enterprises until recovery by
18 the Authority of its investment and upon liquidation or
19 withdrawal of the Authority from the pool of funds, the
20 participating professional investor shall be obligated to
21 refund any amount received by it from such percentage if
22 necessary to allow the Authority to recover its investment or
23 (ii) the terms of payment of cash and other property to the
24 Authority are no less favorable to the Authority than
25 payments to other seed capital investors or professional
26 investors (other than the professional investor) who are
27 parties to the agreement or contract;

28 (d) To purchase qualified securities of certified
29 development corporations created under Section 503 of the
30 federal Small Business Administration Act, including the
31 Illinois Small Business Growth Corporation, for the purpose
32 of making loans to enterprises that have the potential to
33 create substantial employment within the State per dollar
34 invested by the Authority, provided that the investment does

1 not exceed 25% of the total investment in each corporation at
2 the time the investment is approved by the Authority.
3 Investment by the Authority in the Illinois Small Business
4 Growth Corporation is not limited by the foregoing provision;

5 (e) To purchase qualified securities of small business
6 investment companies and minority enterprise small business
7 investment corporations certified by the federal Small
8 Business Administration which are committed to making 60% of
9 their investments in the State, provided that investments
10 from the Fund do not exceed 25% of the total investment in
11 these entities at the time the investment is approved by the
12 Authority;

13 (f) To make the investments of any funds held in reserves
14 or sinking funds, or any funds not required for immediate
15 disbursement, as may be lawful investments for fiduciaries in
16 the State;

17 (g) To facilitate and promote the acquisition and
18 revitalization of existing manufacturing enterprises by
19 developing and maintaining a list of firms, or divisions
20 thereof, located within the State that are available for
21 purchase, merger, or acquisition. The list shall be made
22 available at such charges as the Authority may determine to
23 all interested persons and institutions upon request. No firm
24 shall appear on the list without its prior written
25 permission. The list may contain such additional financial,
26 technical, market and other information as may be supplied by
27 the listed firm. The Authority shall bear no responsibility
28 for the accuracy of the information contained on the list,
29 and each listed firm shall hold the Authority harmless
30 against any claim of inaccuracy. Enterprises supported by
31 investments from the Fund shall receive consideration by the
32 Authority in the allocation of loans to be insured or loans
33 to be made from the proceeds of bonds to be insured by the
34 Industrial Revenue Bond Insurance Fund established under this

1 Article, and the Authority shall coordinate its activities
2 under the 2 programs.

3 Section 810-25. Direct and Co-venture Investments. An
4 enterprise seeking a direct investment from the Illinois
5 Venture Investment Fund shall file an application with the
6 Authority along with an applicable fee to be determined by
7 the Authority. A valid application shall contain a business
8 plan, including a description of the enterprise and its
9 management, a statement of the amount, timing, and projected
10 use of the capital required, a statement concerning the
11 feasibility of the proposed technology, product, process, or
12 invention, its state of development and likelihood of
13 commercial success, a statement of the potential economic
14 impact of the enterprise on the State, including the number,
15 location, and types of jobs expected to be created, and such
16 other information as the Authority shall require. In addition
17 to the foregoing, the Authority shall approve an application
18 for a direct investment and shall approve a co-venture
19 investment only after it has made the following findings:

20 (a) The enterprise has a reasonable chance of success;

21 (b) If the application is for a direct investment,
22 Authority participation is necessary to the success of the
23 enterprise because conventional, private funding is
24 unavailable in the traditional capital markets, or because
25 funding has been offered on terms that would substantially
26 hinder the success of the enterprise;

27 (c) The technology, product, process, or invention for
28 which the investment is being made is feasible, has the
29 potential to achieve commercial success and the enterprise
30 has the potential to create substantial employment within the
31 State per dollar invested and that this employment, so far as
32 feasible, may be expected to be for residents of areas of
33 critical labor surplus;

1 (d) The entrepreneur, investors, shareholders, and other
2 founders of the enterprise have already made or are obligated
3 to make a substantial financial and time commitment to the
4 enterprise;

5 (e) The securities to be purchased are qualified
6 securities;

7 (f) The Authority determines that the possible gains on
8 the investment are at least commensurate with the risk of
9 loss and that there is a reasonable possibility that the
10 Authority will recoup its investment, within 10 years after
11 the investment or such other time period as negotiated by the
12 Authority, through the receipt of interest payments,
13 dividends, capital gains, or other distribution of profits,
14 or royalties on investments made by the Authority; and

15 (g) Binding commitments have been made to the Authority
16 by the enterprise for adequate reporting of financial data to
17 the Authority and any participating professional investors or
18 seed capital investors. The report shall include an annual
19 audit of the books of the enterprise by an independent
20 certified public accountant if the Authority so requires. The
21 Authority and any participating professional investors or
22 seed capital investors shall secure sufficient contractual
23 rights from the enterprise as the Authority shall consider
24 prudent to protect the investment of the Authority,
25 including, at the discretion of the Authority and without
26 limitation, a right of access to financial and other records
27 of the enterprise. The Authority's interest in qualified
28 securities from investments shall not represent more than 49%
29 of the voting stock of any single enterprise at the time of
30 purchase after giving effect to the conversion of all
31 outstanding convertible securities of the enterprise. In the
32 event of severe financial difficulty that in the judgment of
33 the Authority threatens the investment of the Authority
34 therein, a greater percentage of those securities may be

1 owned or acquired by the Authority.

2 Section 810-30. Investment in Pools of Funds. Proposals
3 for the establishment of pools of funds under paragraph (b)
4 of Section 810-20 of this Act shall be submitted on a form,
5 contain the information, and be accompanied by a fee as
6 prescribed by the Authority. The Authority shall not enter
7 into any agreement or contract under paragraph (b) of Section
8 810-20 of this Act unless the agreement or contract provides
9 that the pool of funds will be invested in an enterprise only
10 if the manager finds all of the following:

11 (a) The enterprise has a reasonable chance of success.

12 (b) The technology, product, process, or invention for
13 which the investment is being made is feasible and has the
14 potential to achieve commercial success.

15 (c) The enterprise has the potential to create
16 substantial employment within the State.

17 (d) The entrepreneur, investors, shareholders, or
18 founders of the enterprise have made or are obligated to make
19 a substantial commitment of time and funds to the enterprise.

20 (e) The possible gains in the investment are at least
21 commensurable with the risk of loss and there is a reasonable
22 possibility that the investors, including the Authority, will
23 recoup their investment within 10 years after the investment,
24 through the receipt of interest, dividends, capital gains, or
25 other distributions of profit or royalties.

26 (f) The enterprise shall have made binding commitments
27 for adequate reporting of and access to financing data of the
28 enterprise.

29 Section 810-35. Documentary materials concerning trade
30 secrets; Commercial or financial information; Confidentially.
31 Any documentary materials or data made or received by any
32 member, agent or employee of the Authority, to the extent

1 that such material or data consist of trade secrets,
2 commercial or financial information regarding the operation
3 of any enterprise conducted by an applicant for, or recipient
4 of, any form of assistance which the Authority is empowered
5 to render, or regarding the competitive position of such
6 enterprise in a particular field of endeavor, shall not be
7 deemed public records; provided, however, that if the
8 Authority purchases a qualified security from such
9 enterprise, the commercial and financial information,
10 excluding trade secrets, shall be deemed to become a public
11 record of the Authority after the expiration of 3 years from
12 the date of purchase of such qualified security, or, in the
13 case of such information made or received by any member,
14 agent or employee of the Authority after the purchase of such
15 qualified security, 3 years from the date such information
16 was made or received. Any discussion or consideration of such
17 trade secrets or commercial or financial information may be
18 held by the Authority, in executive sessions closed to the
19 public, notwithstanding the provisions of the Open Meetings
20 Act; provided, however, that the purpose of any such
21 executive session shall be set forth in the official minutes
22 of the Authority and business which is not related to such
23 purpose shall not be transacted, nor shall any vote be taken
24 during such executive sessions.

25 Section 810-40. Tax Exemption. The Illinois Venture
26 Investment Fund and all its proceeds shall be and are hereby
27 declared exempt from all franchise and income taxes levied by
28 the State, provided nothing herein shall be construed to
29 exempt from any such taxes, or from any taxes levied in
30 connection with the manufacture, production, use or sale of
31 any technologies, products, processes or inventions which are
32 the subject of any agreement earned by any enterprise in
33 which the Authority has invested.

ARTICLE 815

LAND BANK FUND

Section 815-5. Findings and Declaration of Policy. It is hereby found and declared that there exists within the State a condition of substantial and persistent unemployment which is detrimental to the welfare of the people of the State; that the absence of an orderly conversion and development of certain property results in blight, economic dislocation, and additional unemployment; that there exists within the State a significant resource of under utilized property which, if returned to productive economic use, will increase employment, increase revenues for the State and units of local government, and lead to a more stable economy; that the acquisition, development or disposition of such land or property in conjunction with units of local government, local industrial development agencies and private enterprise in accordance with development plans will stimulate economic development within the State; that the establishment of the Illinois Land Bank Fund and the exercise by the Authority of the powers granted in this Article will promote economic development resulting in increased employment and public revenues; and that the provisions of this Act are hereby declared to be in the public interest and benefit and a valid public purpose.

Section 815-10. Definitions. The following terms, whenever used or referred to in this Article, shall have the following meanings ascribed to them, except where the context clearly requires otherwise:

(a) "Property" means land, parcels or combination of parcels, structures, and all improvements, easements and franchises;

(b) "Redevelopment area" means any property which is a

1 contiguous area of at least 2 acres but less than 160 acres
2 in the aggregate located within one and one-half miles of the
3 corporate limits of a municipality and not included within
4 any municipality, where, (1) if improved, a substantial
5 proportion of the industrial, commercial and residential
6 buildings or improvements are detrimental to the public
7 safety, health, morals or welfare because of a combination of
8 any of the following factors: age; physical configuration;
9 dilapidation; structural or economic obsolescence;
10 deterioration; illegal use of individual structures; presence
11 of structures below minimum code standards; excessive and
12 sustained vacancies; overcrowding of structures and community
13 facilities; inadequate ventilation, light, sewer, water,
14 transportation and other infrastructure facilities;
15 inadequate utilities; excessive land coverage; deleterious
16 land use or layout; depreciation or lack of physical
17 maintenance; and lack of community planning; or (2) if
18 vacant, the sound utilization of land for industrial projects
19 is impaired by a combination of 2 or more of the following
20 factors: obsolete platting of the vacant land; diversity of
21 ownership of such land; tax and special assessment
22 delinquencies on such land; and deterioration of structures
23 or site improvements in neighboring areas to the vacant land,
24 or the area immediately prior to becoming vacant qualified as
25 a redevelopment improved area; or (3) if an improved area
26 within the boundaries of a development project is located
27 within the corporate limits of the municipality in which 50%
28 or more of the structures in the area have an age of 35 years
29 or more, such area does not qualify under clause (1) but is
30 detrimental to the public safety, health morals or welfare
31 and such area may become a redevelopment area pursuant to
32 clause (1) because of a combination of 3 or more of the
33 factors specified in clause (1).

34 (c) "Enterprise" means an individual, corporation,

1 partnership, joint venture, trust, estate or unincorporated
2 association;

3 (d) "Development plan" means the comprehensive program of
4 the Authority and the participating entity to reduce or
5 eliminate those conditions the existence of which qualified
6 the project area as a redevelopment area. Each development
7 plan shall set forth in writing the program to be undertaken
8 to accomplish such objectives and shall include, without
9 limitation, estimated development project costs, the sources
10 of funds to pay costs, the nature and term of any obligations
11 to be issued, the most recent equalized assessed valuation of
12 the project area, an estimate as to the equalized assessed
13 valuation after development and the general land uses to
14 apply in the project area.

15 (e) "Development project" means any project in
16 furtherance of the objectives of a development plan,
17 including any building or buildings or building addition or
18 other structures to be newly constructed, renovated or
19 improved and suitable for use by an enterprise as an
20 industrial project, and includes the sites and other rights
21 in the property on which such buildings or structures are
22 located.

23 (f) "Participating entity" means a municipality, a local
24 industrial development agency or an enterprise or any
25 combination thereof.

26 Section 815-15. Illinois Land Bank Fund; Creation; Use.
27 There is hereby created the Illinois Land Bank Fund,
28 hereafter referred to in Sections 815-15 through 815-30 of
29 this Act as the "Fund". The Treasurer of the Authority shall
30 have custody of the Fund, which shall be held outside of the
31 State Treasury. The Authority is authorized to accept any and
32 all grants, loans, subsidies, matching funds, reimbursements,
33 appropriations, transfers of appropriations, federal grant

1 monies, income derived from investments, or other things of
2 value from the federal or state governments or units of local
3 government or any agency thereof or from an enterprise for
4 deposit in the Fund. The Authority is authorized to use
5 monies deposited in the Fund expressly for the purposes
6 specified in and according to the procedures established by
7 Sections 815-20 through 815-30 of this Act.

8 Section 815-20. Powers and Duties.

9 (a) The Authority shall have the following powers with
10 respect to redevelopment areas:

11 (1) To acquire and possess property in a
12 redevelopment area;

13 (2) To clear any such areas so acquired by
14 demolition of existing structures and buildings and to
15 make necessary improvements to the property essential to
16 its reuse in conformity with a development plan; and

17 (3) To convey property for use in accordance with a
18 development plan.

19 (b) Before acquiring property under this Section the
20 Authority shall hold a public hearing after notice published
21 in a newspaper of general circulation in the county in which
22 the property is located and shall find:

23 (1) The property is in a redevelopment area;

24 (2) Such acquisition or possession is necessary or
25 reasonably required to retain existing enterprises or
26 attract new enterprises and to promote sound economic
27 growth and to carry out the purposes of Section 815-5
28 through 815-30 of this Act;

29 (3) The assembly of property is not unduly
30 competitive with similar assemblies by private enterprise
31 in the area or surrounding areas; and

32 (4) The participating entity, without the
33 involvement of the Authority, would be unlikely,

1 unwilling or unable to undertake such redevelopment of
2 the property as was necessary for economic development.

3 (c) No property may be acquired by the Authority unless
4 the acquisition is consented to by resolution of the
5 corporate authorities of the municipality with jurisdiction
6 over the property under Section 11-12-6 of the Municipal
7 Code.

8 (d) The Authority may acquire any interest in property in
9 a redevelopment area by purchase, lease, or gift, but shall
10 not have the power of condemnation.

11 (e) No property shall be acquired under this Section
12 unless the Authority has adopted a development plan under the
13 provisions of Section 815-25.

14 Section 815-25. Development Plans.

15 (a) No development plan shall be approved by the
16 Authority unless after a public hearing held upon notice
17 published in a newspaper of general circulation in the county
18 where the property is located, the Authority finds:

19 (1) The plan provides for projects which will reduce
20 unemployment;

21 (2) The redevelopment area on the whole has not been
22 subject to growth and development through investment by
23 private enterprise and would not reasonably be
24 anticipated to be developed without the adoption of the
25 development plan;

26 (3) The corporate authorities of the municipality
27 with jurisdiction over the property under Section 11-12-6
28 of the Municipal Code have by resolution found that the
29 development plan conforms to the comprehensive plan of
30 the municipality;

31 (4) A participating entity has agreed to enter into
32 such contracts and other agreements as are necessary to
33 acquire, redevelop and improve the property in accordance

1 with the development plan;

2 (5) The acquisition of the property, its possession
3 and ultimate use according to the development plan can be
4 financed by participating entities and the Authority and
5 the development plan will be completed and all
6 obligations of the Authority incurred in connection with
7 the redevelopment plan will be retired within 20 years
8 from the Authority's approval of the development plan;
9 and

10 (6) The development plan meets such other
11 requirements as the Authority may establish by rule.

12 (b) The Authority may dispose of any property which is
13 the subject of a development plan in such manner, whether by
14 sale, lease or otherwise, and for such price, rental or other
15 consideration, including an amount not less than 2/3 of its
16 acquisition cost, payable over such term, and bearing
17 interest as to deferred payments, and secured in such manner,
18 by mortgage or otherwise, all as the Authority shall provide
19 in the development plan.

20 (c) Pending disposition of such land, any existing
21 property acquired by the Authority in the course of carrying
22 out the provisions of this Act may be adequately and properly
23 preserved, and may be maintained, leased or administered by
24 the Authority by a contract made by the Authority with any
25 participating entity, enterprise or individual with
26 experience in the area of property development, management or
27 administration.

28 (d) Whenever the Authority shall have approved a
29 development plan, the Authority may amend the development
30 plan from time to time in conformity with this Section.

31 Section 815-30. Local Planning; Relocation Costs. The
32 Authority may arrange or contract with a municipality or
33 municipalities for the planning, re-planning, opening,

1 grading or closing of streets, roads, alleys or other places
2 or for the furnishing of facilities or for the acquisition by
3 the municipality or municipalities of property or property
4 rights or for the furnishing of property or services in
5 connection with a development project or projects. The
6 Authority is hereby authorized to pay the reasonable
7 relocation costs, up to a total of \$25,000 per relocatee, of
8 persons and businesses displaced as a result of carrying out
9 a development plan as authorized by this Article.

10 ARTICLE 820

11 LOCAL GOVERNMENT

12 Section 820-5. Findings and Declaration of Policy. It is
13 hereby found and declared that there exists an urgent need to
14 upgrade and expand the capital facilities, infrastructure and
15 public purpose projects of units of local government and to
16 promote other public purposes to be carried out by units of
17 local government; that federal funding reductions combined
18 with shifting economic conditions have impeded efforts by
19 units of local governments to provide the necessary
20 improvements to their capital facilities, infrastructure
21 systems and public purpose projects and to accomplish other
22 public purposes in recent years; that adequate and well
23 maintained capital facilities, infrastructure systems and
24 public purpose projects throughout this State and the
25 performance of other public purposes by units of local
26 government throughout this State can offer significant
27 economic benefits and an improved quality of life for all
28 citizens of this State; that the exercise by the Authority of
29 the powers granted in this Article will promote economic
30 development by enhancing the capital stock of units of local
31 governments and will facilitate the accomplishment of other
32 public purposes by units of local government; that

1 authorizing the Authority to borrow money in the public and
2 private capital markets in order to provide money to purchase
3 or otherwise acquire obligations of units of local government
4 will assist such units of local government in borrowing money
5 to finance and refinance the public purpose projects, capital
6 facilities and infrastructure of the units and to finance
7 other public purposes of such units of local government, in
8 providing access to adequate capital markets and facilities
9 for borrowing money by such units of local government, in
10 encouraging continued investor interest in the obligations of
11 such units of local government, in providing for the orderly
12 marketing of the obligations of such units of local
13 government, and in achieving lower overall borrowing cost and
14 more favorable terms for such borrowing; and that the
15 provisions of this Article are hereby declared to be in the
16 public interest and for the public benefit.

17 Section 820-10. Definitions. The following words or
18 terms, whenever used or referred to in this Article, shall
19 have the following meanings ascribed to them, except where
20 the context clearly requires otherwise:

21 (a) "Department" means the Illinois Department of
22 Commerce and Economic Opportunity.

23 (b) "Unit of local government" means any unit of local
24 government, as defined in Article VII, Section 1 of the 1970
25 State Constitution and any local public entity as that term
26 is defined by the Local Governmental and Governmental
27 Employees Tort Immunity Act and also includes the State and
28 any instrumentality, office, officer, department, division,
29 bureau, commission, college or university thereof.

30 (c) "Energy conservation project" means any improvement,
31 repair, alteration or betterment of any building or facility
32 or any equipment, fixture or furnishing including its energy
33 using mechanical devices to be added to or used in any

1 building or facility that the Director of the Department has
2 certified to the Authority will be a cost effective energy
3 related project that will lower energy or utility costs in
4 connection with the operation or maintenance of such building
5 or facility, and will achieve energy cost savings sufficient
6 to cover bond debt service and other project costs within 10
7 years from the date of project installation.

8 Section 820-15. Creation of Reserve Funds. The Authority
9 may establish and maintain one or more reserve funds in which
10 there may be one or more accounts in which there may be
11 deposited:

12 (a) Any proceeds of bonds issued by the Authority
13 required to be deposited therein by the terms of any contract
14 between the Authority and its bondholders or any resolution
15 of the Authority;

16 (b) Any other moneys or funds of the Authority which it
17 may determine to deposit therein from any other source; and

18 (c) Any other moneys or funds made available to the
19 Authority, including without limitation any proceeds of any
20 local government security or any taxes or revenues, rates,
21 charges, assessments, grants, or other funds pledged or
22 assigned to pay, repay or secure any local government
23 security. Subject to the terms of any pledge to the owners of
24 any bond, moneys in any reserve fund may be held and applied
25 to the payment of the interest, premium, if any, or principal
26 of bonds or local government securities or for any other
27 purpose authorized by the Authority.

28 Section 820-20. Powers and Duties; Illinois Local
29 Government Financing Assistance Program. The Authority has
30 the power:

31 (a) To purchase from time to time pursuant to negotiated
32 sale or to otherwise acquire from time to time any local

1 government securities issued by one or more units of local
2 government upon such terms and conditions as the Authority
3 may prescribe;

4 (b) To issue bonds in one or more series pursuant to one
5 or more resolutions of the Authority for any purpose
6 authorized under this Article, including without limitation
7 purchasing or acquiring local government securities,
8 providing for the payment of any interest deemed necessary on
9 such bonds, paying for the cost of issuance of such bonds,
10 providing for the payment of the cost of any guarantees,
11 letters of credit, insurance contracts or other similar
12 credit support or liquidity instruments, or providing for the
13 funding of any reserves deemed necessary in connection with
14 such bonds and refunding or advance refunding of any such
15 bonds and the interest and any premium thereon, pursuant to
16 this Act;

17 (c) To provide for the funding of any reserves or other
18 funds or accounts deemed necessary by the Authority in
19 connection with any bonds issued by the Authority or local
20 government securities purchased or otherwise acquired by the
21 Authority;

22 (d) To pledge any local government security, including
23 any payments thereon, and any other funds of the Authority or
24 funds made available to the Authority which may be applied to
25 such purpose, as security for any bonds or any guarantees,
26 letters of credit, insurance contracts or similar credit
27 support or liquidity instruments securing the bonds;

28 (e) To enter into agreements or contracts with third
29 parties, whether public or private, including without
30 limitation the United States of America, the State, or any
31 department or agency thereof to obtain any appropriations,
32 grants, loans or guarantees which are deemed necessary or
33 desirable by the Authority. Any such guarantee, agreement or
34 contract may contain terms and provisions necessary or

1 desirable in connection with the program, subject to the
2 requirements established by this Article;

3 (f) To charge reasonable fees to defray the cost of
4 obtaining letters of credit, insurance contracts or other
5 similar documents, and to charge such other reasonable fees
6 to defray the cost of trustees, depositories, paying agents,
7 bond registrars, escrow agents and other administrative
8 expenses. Any such fees shall be payable by units of local
9 government whose local government securities are purchased or
10 otherwise acquired by the Authority pursuant to this Article,
11 in such amounts and at such times as the Authority shall
12 determine, and the amount of the fees need not be uniform
13 among the various units of local government whose local
14 government securities are purchased or otherwise acquired by
15 the Authority pursuant to this Article;

16 (g) To obtain and maintain guarantees, letters of credit,
17 insurance contracts or similar credit support or liquidity
18 instruments which are deemed necessary or desirable in
19 connection with any bonds or other obligations of the
20 Authority or any local government securities;

21 (h) To establish application fees and other service fees
22 and prescribe application, notification, contract, agreement,
23 security and insurance forms and rules and regulations it
24 deems necessary or appropriate;

25 (i) To provide technical assistance, at the request of
26 any unit of local government, with respect to the financing
27 or refinancing for any public purpose. In fulfillment of this
28 purpose, the Authority may request assistance from the
29 Department as necessary; any unit of local government that is
30 experiencing either a financial emergency as defined in the
31 Local Government Financial Planning and Supervision Act or a
32 condition of fiscal crisis evidenced by an impaired ability
33 to obtain financing for its public purpose projects from
34 traditional financial channels or impaired ability to fully

1 fund its obligations to fire, police and municipal employee
2 pension funds, or to bond payments or reserves, may request
3 technical assistance from the Authority in the form of a
4 diagnostic evaluation of its financial condition;

5 (j) To purchase any obligations of the Authority issued
6 pursuant to this Article;

7 (k) To sell, transfer or otherwise dispose of local
8 government securities purchased or otherwise acquired by the
9 Authority pursuant to this Article, including without
10 limitation, the sale, transfer or other disposition of
11 undivided fractionalized interests in the right to receive
12 payments of principal and premium, if any, or the right to
13 receive payments of interest or the right to receive payments
14 of principal of and premium, if any, and interest on pools of
15 such local government securities;

16 (l) To acquire, purchase, lease, sell, transfer and
17 otherwise dispose of real and personal property, or any
18 interest therein, and to issue its bonds and enter into
19 leases, contracts and other agreements with units of local
20 government in connection with such acquisitions, purchases,
21 leases, sales and other dispositions of such real and
22 personal property;

23 (m) To make loans to banks, savings and loans and other
24 financial institutions for the purpose of purchasing or
25 otherwise acquiring local government securities, and to issue
26 its bonds, and enter into agreements and contracts in
27 connection with such loans;

28 (n) To enter into agreements or contracts with any person
29 necessary or appropriate to place the payment obligations of
30 the Authority under any of its bonds in whole or in part on
31 any interest rate basis, cash flow basis, or other basis
32 desired by the Authority, including without limitation
33 agreements or contracts commonly known as "interest rate swap
34 agreements," "forward payment conversion agreements," and

1 "futures," or agreements or contracts to exchange cash flows
2 or a series of payments, or agreements or contracts,
3 including without limitation agreements or contracts commonly
4 known as "options," "puts" or "calls," to hedge payment, rate
5 spread, or similar exposure; provided, that any such
6 agreement or contract shall not constitute an obligation for
7 borrowed money, and shall not be taken into account under
8 Section 845-5 of this Act or any other debt limit of the
9 Authority or the State of Illinois;

10 (o) To make and enter into all other agreements and
11 contracts and execute all instruments necessary or incidental
12 to performance of its duties and the execution of its powers
13 under this Article;

14 (p) To contract for and finance the costs of energy
15 audits, project-specific engineering and design
16 specifications, and any other related analyses preliminary to
17 an energy conservation project; and, to contract for and
18 finance the cost of project monitoring and data collection to
19 verify post-installation energy consumption and
20 energy-related operating costs. Any such contract shall be
21 executed only after it has been jointly negotiated by the
22 Authority and the Department; and

23 (q) To exercise such other powers as are necessary or
24 incidental to the foregoing.

25 Section 820-25. Unit of Local Government Participation.
26 Any unit of local government is authorized to voluntarily
27 participate in this program. Any unit of local government
28 which is authorized to issue, sell and deliver its local
29 government securities under any provision of the Constitution
30 or laws of the State may issue, sell and deliver such local
31 government securities to the Authority under this Article;
32 provided that and notwithstanding any other provision of law
33 to the contrary, any such unit of local government may issue

1 and sell any such local government security at any interest
2 rate or rates, which rate or rates may be established by an
3 index or formula which may be implemented by persons
4 appointed or retained therefor, payable at such time or
5 times, and at such price or prices to which the unit of local
6 government and the Authority may agree. Any unit of local
7 government may pay any amount charged by the Authority
8 pursuant to this Article. Any unit of local government
9 participating in this program may pay out of the proceeds of
10 its local government securities or out of any other moneys or
11 funds available to it for such purposes any costs, fees,
12 interest deemed necessary, premium or reserves incurred or
13 required for financing or refinancing this program, including
14 without limitation any fees charged by the Authority pursuant
15 to this Article and its share, as determined by the
16 Authority, of any costs, fees, interest deemed necessary,
17 premium or reserves incurred or required pursuant to Section
18 820-20 of this Act. All local government securities purchased
19 or otherwise acquired by the Authority pursuant to this Act
20 shall upon delivery to the Authority be accompanied by an
21 approving opinion of bond counsel as to the validity of such
22 securities. The Authority shall have discretion to purchase
23 or otherwise acquire those local government securities, as it
24 shall deem to be in the best interest of its financing
25 program for all units of local government taken as a whole.

26 Section 820-30. Criteria for Participation in the
27 Program. If the Authority requires an application for
28 participation in the Program, upon submission of any such
29 application, the Authority or any entity on behalf of the
30 Authority shall review such application for its completeness
31 and may at its discretion, accept or reject such application
32 or request such additional information as it deems necessary
33 or advisable to aid its review. In the course of its review,

1 the Authority may consider but shall not be limited to the
2 following factors:

3 (a) Whether the public purpose for which the local
4 government security is to be issued will have a significant
5 impact on the economy, environment, health or safety of the
6 unit of local government;

7 (b) The extent to which the public purpose for which the
8 local government security is to be issued will provide
9 reinforcement for other community and economic development
10 related investments by such units of local government;

11 (c) The credit worthiness of the unit of local government
12 and the local government security, including, without
13 limitation, the ability of the unit of local government to
14 comply with the credit requirements of the provider of any
15 guarantees, letters of credit, insurance contracts or other
16 similar credit support or liquidity instruments; and

17 (d) Such other factors as deemed necessary by the
18 Authority which are consistent with the intent of this Act.

19 Section 820-35. The Authority shall assist the Department
20 to establish and implement a program to assist units of local
21 government to identify and arrange financing for energy
22 conservation projects in buildings and facilities owned or
23 leased by units of local government. Such bonds shall not
24 constitute an indebtedness or obligation of the State of
25 Illinois and it shall be plainly stated on the face of each
26 bond that it does not constitute such an indebtedness or
27 obligation but is payable solely from the revenues, income or
28 other assets of the Authority pledged therefor.

29 Section 820-40. Investment of Moneys. Any moneys at any
30 time held by the Authority pursuant to this Article shall be
31 held outside the State Treasury in the custody of either the
32 Treasurer of the Authority or a trustee or depository

1 appointed by the Authority. Such moneys may be invested in
2 (a) investments authorized by the Public Funds Investment
3 Act, (b) obligations issued by any State, unit of local
4 government or school district, which obligations are rated at
5 the time of purchase by a national rating service within the
6 2 highest rating classifications without regard to any rating
7 refinement or gradation by numerical or other modifier, (c)
8 equity securities of an investment company registered under
9 the Investment Company Act of 1940 whose sole assets, other
10 than cash and other temporary investments, are obligations
11 which are eligible investments for the Authority, or (d)
12 investment contracts under which securities are to be
13 purchased and sold at a predetermined price on a future date,
14 or pursuant to which moneys are deposited with a bank or
15 other financial institution and the deposits are to bear
16 interest at an agreed upon rate, provided that such
17 investment contracts are with a bank or other financial
18 institution whose obligations are rated at the time of
19 purchase by a national rating service within the 2 highest
20 rating classifications without regard to any rating
21 refinement or gradation by numerical or other modifier. The
22 interest, dividends or other earnings from such investments
23 may be used to pay administrative costs of the Authority
24 incurred in administering the program or trustee or
25 depository fees incurred in connection with such program.

26 Section 820-45. Pledge of Revenues by the Authority. Any
27 pledge of revenues or other moneys made by the Authority
28 shall be binding from the time the pledge is made. Revenues
29 and other moneys so pledged shall be held outside of the
30 State Treasury and in the custody of either the Treasurer of
31 the Authority or a trustee or a depository appointed by the
32 Authority. Revenues or other moneys so pledged and thereafter
33 received by the Authority or such trustee or depository shall

1 immediately be subject to the lien of the pledge without any
2 physical delivery thereof or further act, and the lien of any
3 pledge shall be binding against all parties having claims of
4 any kind of tort, contract or otherwise against the
5 Authority, irrespective of whether the parties have notice
6 thereof. Neither the resolution nor any other instrument by
7 which a pledge is created need be filed or recorded except in
8 the records of the Authority. The State does pledge to and
9 agree with the holders of bonds, and the beneficial owners of
10 the local government securities, that the State will not
11 limit or restrict the rights hereby vested in the Authority
12 to purchase, acquire, hold, sell or dispose of local
13 government securities or other investments or to establish
14 and collect such fees or other charges as may be convenient
15 or necessary to produce sufficient revenues to meet the
16 expenses of operation of the Authority, and to fulfill the
17 terms of any agreement made with the holders of the bonds or
18 the beneficial owners of the local government securities or
19 in any way impair the rights or remedies of the holders of
20 those bonds or the beneficial owners of the local government
21 securities until such bonds or local government securities
22 are fully paid and discharged or provision for their payment
23 has been made.

24 Section 820-50. Pledge of Funds by Units of Local
25 Government.

26 (a) Pledge of Funds. Any unit of local government which
27 receives funds from the Department of Revenue, including
28 without limitation funds received pursuant to Sections
29 8-11-1, 8-11-1.4, 8-11-5 or 8-11-6 of the Illinois Municipal
30 Code, the Home Rule County Retailers' Occupation Tax Act, the
31 Home Rule County Service Occupation Tax Act, Sections
32 25.05-2, 25.05-3 or 25.05-10 of "An Act to revise the law in
33 relation to counties", Section 5.01 of the Local Mass Transit

1 District Act, Section 4.03 of the Regional Transportation
2 Authority Act, Sections 2 or 12 of the State Revenue Sharing
3 Act, or from the Department of Transportation pursuant to
4 Section 8 of the Motor Fuel Tax Law, or from the State
5 Superintendent of Education (directly or indirectly through
6 regional superintendents of schools) pursuant to Article 18
7 of the School Code, or any unit of government which receives
8 other funds which are at any time in the custody of the State
9 Treasurer, the State Comptroller, the Department of Revenue,
10 the Department of Transportation or the State Superintendent
11 of Education may by appropriate proceedings, pledge to the
12 Authority or any entity acting on behalf of the Authority
13 (including, without limitation, any trustee), any or all of
14 such receipts to the extent that such receipts are necessary
15 to provide revenues to pay the principal of, premium, if any,
16 and interest on, and other fees related to, or to secure, any
17 of the local government securities of such unit of local
18 government which have been sold or delivered to the Authority
19 or its designee or to pay lease rental payments to be made by
20 such unit of local government to the extent that such lease
21 rental payments secure the payment of the principal of,
22 premium, if any, and interest on, and other fees related to,
23 any local government securities which have been sold or
24 delivered to the Authority or its designee. Any pledge of
25 such receipts (or any portion thereof) shall constitute a
26 first and prior lien thereon and shall be binding from the
27 time the pledge is made.

28 (b) Direct Payment of Pledged Receipts. Any such unit of
29 local government may, by such proceedings, direct that all or
30 any of such pledged receipts payable to such unit of local
31 government be paid directly to the Authority or such other
32 entity (including without limitation any trustee) for the
33 purpose of paying the principal of, premium, if any, and
34 interest on, and fees relating to, such local government

1 securities or for the purpose of paying such lease rental
2 payments to the extent necessary to pay the principal of,
3 premium, if any, and interest on, and other fees related to,
4 such local government securities secured by such lease rental
5 payments. Upon receipt of a certified copy of such
6 proceedings by the State Treasurer, the State Comptroller,
7 the Department of Revenue, the Department of Transportation
8 or the State Superintendent of Education, as the case may be,
9 such Department or State Superintendent shall direct the
10 State Comptroller and State Treasurer to pay to, or on behalf
11 of, the Authority or such other entity (including, without
12 limitation, any trustee) all or such portion of the pledged
13 receipts from the Department of Revenue, or the Department of
14 Transportation or the State Superintendent of Education
15 (directly or indirectly through regional superintendents of
16 schools), as the case may be, sufficient to pay the principal
17 of and premium, if any, and interest on, and other fees
18 related to, the local governmental securities for which the
19 pledge was made or to pay such lease rental payments securing
20 such local government securities for which the pledge was
21 made. The proceedings shall constitute authorization for such
22 a directive to the State Comptroller to cause orders to be
23 drawn and to the State Treasurer to pay in accordance with
24 such directive. To the extent that the Authority or its
25 designee notifies the Department of Revenue, the Department
26 of Transportation or the State Superintendent of Education,
27 as the case may be, that the unit of local government has
28 previously paid to the Authority or its designee the amount
29 of any principal, premium, interest and fees payable from
30 such pledged receipts, the State Comptroller shall cause
31 orders to be drawn and the State Treasurer shall pay such
32 pledged receipts to the unit of local government as if they
33 were not pledged receipts. To the extent that such receipts
34 are pledged and paid to the Authority or such other entity,

1 any taxes which have been levied or fees or charges assessed
2 pursuant to law on account of the issuance of such local
3 government securities shall be paid to the unit of local
4 government and may be used for the purposes for which the
5 pledged receipts would have been used.

6 (c) Payment of Pledged Receipts upon Default. Any such
7 unit of local government may, by such proceedings, direct
8 that such pledged receipts payable to such unit of local
9 government be paid to the Authority or such other entity
10 (including without limitation any trustee) upon a default in
11 the payment of any principal of, premium, if any, or interest
12 on, or fees relating to, any of the local government
13 securities of such unit of local government which have been
14 sold or delivered to the Authority or its designee or any of
15 the local government securities which have been sold or
16 delivered to the Authority or its designee and which are
17 secured by such lease rental payments. If such local
18 governmental security is in default as to the payment of
19 principal thereof, premium, if any, or interest thereon, or
20 fees relating thereto, to the extent that the State
21 Treasurer, the State Comptroller, the Department of Revenue,
22 the Department of Transportation or the State Superintendent
23 of Education (directly or indirectly through regional
24 superintendents of schools) shall be the custodian at any
25 time of any other available funds or moneys pledged to the
26 payment of such local government securities or such lease
27 rental payments securing such local government securities
28 pursuant to this Section and due or payable to such a unit of
29 local government at any time subsequent to written notice to
30 the State Comptroller and State Treasurer from the Authority
31 or any entity acting on behalf of the Authority (including
32 without limitation any trustee) to the effect that such unit
33 of local government has not paid or is in default as to
34 payment of the principal of, premium, if any, or interest on,

1 or fees relating to, any local government security sold or
2 delivered to the Authority or any such entity (including
3 without limitation any trustee) or has not paid or is in
4 default as to the payment of such lease rental payments
5 securing the payment of the principal of, premium, if any, or
6 interest on, or other fees relating to, any local government
7 security sold or delivered to the Authority or such other
8 entity (including without limitation any trustee):

9 (i) The State Comptroller and the State Treasurer
10 shall withhold the payment of such funds or moneys from
11 such unit of local government until the amount of such
12 principal, premium, if any, interest or fees then due and
13 unpaid has been paid to the Authority or any such entity
14 (including without limitation any trustee), or the State
15 Comptroller and the State Treasurer have been advised
16 that arrangements, satisfactory to the Authority or such
17 entity, have been made for the payment of such principal,
18 premium, if any, interest and fees; and

19 (ii) Within 10 days after a demand for payment by
20 the Authority or such entity given to such unit of local
21 government, the State Treasurer and the State
22 Comptroller, the State Treasurer shall pay such funds or
23 moneys as are legally available therefor to the Authority
24 or such entity for the payment of principal of, premium,
25 if any, or interest on, or fees relating to, such local
26 government securities. The Authority or any such entity
27 may carry out this Section and exercise all the rights,
28 remedies and provisions provided or referred to in this
29 Section.

30 (d) Remedies. Upon the sale or delivery of any local
31 government securities of the Authority or its designee, the
32 local government which issued such local government
33 securities shall be deemed to have agreed that upon its
34 failure to pay interest or premium, if any, on, or principal

1 of, or fees relating to, the local government securities sold
2 or delivered to the Authority or any entity acting on behalf
3 of the Authority (including without limitation any trustee)
4 when payable, all statutory defenses to nonpayment are
5 thereby waived. Upon a default in payment of principal of or
6 interest on any local government securities issued by a unit
7 of local government and sold or delivered to the Authority or
8 its designee, and upon demand on the unit of local government
9 for payment, if the local government securities are payable
10 from property taxes and funds are not legally available in
11 the treasury of the unit of local government to make payment,
12 an action in mandamus for the levy of a tax by the unit of
13 local government to pay the principal of or interest on the
14 local government securities shall lie, and the Authority or
15 such entity shall be constituted a holder or owner of the
16 local government securities as being in default. Upon the
17 occurrence of any failure or default with respect to any
18 local government securities issued by a unit of local
19 government, the Authority or such entity may thereupon avail
20 itself of all remedies, rights and provisions of law
21 applicable in the circumstances, and the failure to exercise
22 or exert any rights or remedies within a time or period
23 provided by law may not be raised as a defense by the unit of
24 local government.

25 Section 820-55. Eligible Investments. Bonds, issued by
26 the Authority pursuant to the provisions of this Article,
27 shall be permissible investments within the provisions of
28 Section 85-40 of this Act.

29 Section 820-60. Tax Exemption. The exercise of powers
30 granted in this Article is in all respects for the benefit of
31 the people of Illinois and in consideration thereof the bonds
32 issued pursuant to the aforementioned Sections and the income

1 Section 825-15. Credit Enhancement Development Fund.

2 (a) There is hereby created the Credit Enhancement
3 Development Fund in the Authority. The Treasurer shall have
4 custody of the fund, which shall be held outside the State
5 Treasury. Custody may be transferred to and held by any
6 fiduciary with whom the Authority executes a trust agreement.
7 All or any portion of such amounts may be used (i) to pay
8 principal, interest and premium, if any, on any bonds issued
9 by the Authority or to fund any reserves or accounts created
10 for such purpose, (ii) to pay the cost of any letter of
11 credit, insurance or third party guarantee provided with
12 respect to any bond issued by the Authority or loan made by
13 the Authority, (iii) to guarantee or otherwise enhance the
14 credit of any bond issued by the Authority or loan made by
15 the Authority, or (iv) to make loans to any person,
16 corporation or unit of local government for any project
17 authorized to be financed by the Authority under this Act.

18 (b) The Authority shall report to the Governor and the
19 General Assembly no later than June 1, 2004, on the extent to
20 which its use of monies in this Fund has enhanced the credit
21 worthiness of its bonds issued or loans made with respect to
22 any person, thereby reducing the cost of financing projects
23 authorized by this Act.

24 Section 825-20. Financially Distressed City Assistance
25 Program; Findings and Declarations of Policy. It is hereby
26 found and declared that there exists an urgent need to reduce
27 involuntary unemployment and economic stagnation within
28 financially distressed cities and to create therein a more
29 favorable economic climate for the development of new and
30 improved employment opportunities for the citizens of such
31 cities; that to address such need it is necessary to promote
32 sound financial management and fiscal integrity within such
33 cities in order to provide a secure financial basis for their

1 continued operation; and that implementation of a financially
2 distressed city assistance program under the provisions of
3 this Act is declared to be in the public interest and for the
4 public benefit.

5 Section 825-25. Definition. As used in Sections 825-20
6 through 825-60 of this Act, the term "financially distressed
7 city" means a unit of local government which has been
8 certified and designated as a financially distressed city
9 under Section 8-12-4 of the Illinois Municipal Code and to
10 which the provisions of Division 12 of Article 8 of that Code
11 have become applicable as provided by that Section 8-12-4.

12 Section 825-30. Powers and Duties; Financing.

13 (a) Upon application of the financial advisory authority
14 established for a financially distressed city under Division
15 12 of Article 8 of the Illinois Municipal Code, the Authority
16 shall have the power to issue its bonds, notes or other
17 evidences of indebtedness, the proceeds of which are to be
18 used to make loans to a financially distressed city for
19 purposes of enabling that city to restructure its current
20 indebtedness and to provide and pay for its essential
21 municipal services as determined in a manner consistent with
22 Division 12 of Article 8 of the Illinois Municipal Code by
23 the financial advisory authority established for that city
24 under that Division 12.

25 (b) Bonds authorized to be issued by the Authority under
26 Sections 825-20 through 825-60 shall be payable from such
27 revenues, income, funds and accounts of the financially
28 distressed city which receives a loan of any proceeds of the
29 bonds so issued as the Authority shall determine and
30 prescribe in the loan agreement.

31 (c) The Authority may prescribe the form and contents of
32 any application submitted under subsection (a) of this

1 Section and may, at its discretion, accept or reject such
2 application or require such additional information as it
3 deems necessary to aid in its review and determination of
4 whether it will issue its bonds and loan the proceeds thereof
5 as authorized under Sections 825-20 through 825-60.

6 (d) The amount of bonds issued or proceeds thereof loaned
7 by the Authority with respect to an application which the
8 Authority has approved shall be determined by the Authority.

9 (e) The financially distressed city receiving a loan
10 under Sections 825-20 through 825-60 shall enter into a loan
11 agreement in the form and manner prescribed by the Authority,
12 and shall pay back to the Authority the principal amount of
13 the loan, plus annual interest as determined by the
14 Authority. The Authority shall have the power, subject to
15 appropriations by the General Assembly, to subsidize or buy
16 down a portion of the interest on such loans, up to 4% per
17 annum.

18 (f) The Authority shall create and establish a debt
19 service reserve fund to be maintained by a trustee separate
20 and segregated from all other funds and accounts of the
21 Authority. This reserve fund shall be initially funded by a
22 contribution of State monies.

23 (g) The amount to be accumulated in the debt service
24 reserve fund shall be determined by the Authority but shall
25 not exceed the maximum amount of interest, principal and
26 sinking fund installments due in any succeeding calendar
27 year.

28 Section 825-35. Pledge of Funds. Any financially
29 distressed city which receives funds from the Department of
30 Revenue, including without limitation funds received pursuant
31 to Section 8-11-1, 8-11-5 or 8-11-6 of the Illinois Municipal
32 Code or Section 2 or 12 of the State Revenue Sharing Act, or
33 from the Department of Transportation pursuant to Section 8

1 of the Motor Fuel Tax Law, may, by appropriate proceedings,
2 pledge to the Authority, or any entity acting on behalf of
3 the Authority (including, without limitation, any trustee),
4 any or all of such receipts to the extent that such receipts
5 are determined by the Authority to be necessary to provide
6 revenues to pay or secure the payment of the principal of,
7 premium, if any, and interest on any of the bonds issued on
8 behalf of, or loans made to the financially distressed city
9 by the Authority under Sections 825-20 through 825-60. The
10 adoption of such proceedings shall constitute a directive to
11 the State Comptroller and State Treasurer to pay to, or on
12 behalf of, the Authority or such other entity (including,
13 without limitation, any trustee) such portion of the pledged
14 receipts from the Department of Revenue or Department of
15 Transportation, as the case may be, and with the State
16 Comptroller and the State Treasurer. With respect to any
17 bonds issued on behalf of, or loans made to the financially
18 distressed city by the Authority under Sections 825-20
19 through 825-60, which are in default in the payment of
20 principal, premium, if any, or interest, to the extent that
21 the State Treasurer, the State Comptroller, the Department of
22 Revenue or the Department of Transportation shall be the
23 custodian at any time of any other available funds or moneys
24 pledged to the payment of such local government securities or
25 such lease rental payments securing such local government
26 securities pursuant to this Section and due or payable to
27 such a unit of local government at any time subsequent to
28 written notice to the State Comptroller and State Treasurer
29 from the Authority or any entity acting on behalf of the
30 Authority (including, without limitation, any trustee) to the
31 effect that such financially distressed city has not paid or
32 is in default as to payment of the principal of, premium, if
33 any, or interest on any bonds issued on behalf of, or loans
34 made to the financially distressed city by the Authority

1 under Sections 825-20 through 825-60:

2 (a) The State Comptroller and the State Treasurer shall
3 withhold the payment of such funds or moneys from the
4 financially distressed city until the amount of such
5 principal, premium, if any, and interest then due and unpaid
6 has been paid to the Authority or such entity acting on
7 behalf of the Authority (including, without limitation, any
8 trustee), or the State Comptroller or State Treasurer have
9 been advised that arrangements, satisfactory to the Authority
10 or such entity, have been made for the payment of such
11 principal, premium, if any, and interest; and

12 (b) Within 10 days after a demand for payment by the
13 Authority or such entity is given to the State Treasurer and
14 the State Comptroller, the State Treasurer shall pay such
15 funds or moneys as are legally available therefor to the
16 Authority or such entity for the payment of principal,
17 premium, if any, and interest on such bonds or loans. The
18 Authority or such entity may carry out this Section and
19 exercise all the rights, remedies and provisions provided or
20 referred to in this Section.

21 Section 825-40. Additional security. In the event that
22 the Authority determines that funds pledged, intercepted or
23 otherwise received or to be received by the Authority under
24 Section 825-20 of this Act will not be sufficient for the
25 payment of the principal, premium, if any, and interest
26 during the next State fiscal year on any bonds issued by the
27 Authority under Sections 825-20 through 825-60, the Chairman,
28 as soon as is practicable, shall certify to the Governor the
29 amount required by the Authority to enable it to pay the
30 principal, premium, if any, and interest falling due on such
31 bonds. The Governor shall submit the amount so certified to
32 the General Assembly as soon as practicable, but no later
33 than the end of the current State fiscal year. This paragraph

1 shall not apply to any bonds as to which the Authority shall
2 have determined, in the resolution authorizing their
3 issuance, that this paragraph shall not apply. Whenever the
4 Authority makes such a determination, that fact shall be
5 plainly stated on the face of such bonds and that fact shall
6 also be reported to the Governor. In the event of a
7 withdrawal of moneys from a debt service reserve fund
8 established with respect to any issue or issues of bonds of
9 the Authority to pay principal and interest on those bonds,
10 the Chairman, as soon as practicable, shall certify to the
11 Governor the amount required to restore such reserve funds to
12 the level required in the resolution or indenture securing
13 the bonds. The Governor shall submit the amount so certified
14 to the General Assembly as soon as practicable, but not later
15 than the end of the current State fiscal year.

16 Section 825-50. Eligible Investments. Bonds issued by the
17 Authority pursuant to Sections 825-20 through 825-60 shall be
18 permissible investments within the provisions of Section
19 805-40.

20 Section 825-55. Tax Exemption. The exercise of the
21 powers granted in Sections 825-20 through 825-60 are in all
22 respects for the benefit of the people of Illinois, and in
23 consideration thereof shall be free from all taxation by the
24 State or its political subdivisions, except for estate,
25 transfer and inheritance taxes. For the purposes of Section
26 250 of the Illinois Income Tax Act, the exemption of the
27 income from bonds issued under the aforementioned Sections
28 shall terminate after all of the bonds have been paid. The
29 amount of such income that shall be added and then subtracted
30 on the Illinois income tax return of a taxpayer, pursuant to
31 Section 203 of the Illinois Income Tax Act, from federal
32 adjusted gross income or federal taxable income in computing

1 Illinois base income shall be the interest net of any bond
2 premium amortization.

3 Section 825-60. Financially Distressed City Assistance
4 Program Limitation. In addition to the bonds authorized to be
5 issued under Sections 801-40(w), 825-65(e), 830-25 and 845-5,
6 the Authority may have outstanding at any time, bonds for the
7 purposes enumerated in Sections 825-20 through 825-60 in an
8 aggregate principal amount that shall not exceed \$50,000,000.
9 Such bonds shall not constitute an indebtedness or obligation
10 of the State of Illinois, and it shall be plainly stated on
11 the face of each bond that it does not constitute such an
12 indebtedness or obligation but is payable solely from the
13 revenues, income or other assets of the Authority pledged
14 therefor.

15 Section 825-65. Clean Coal and Energy Project Financing.

16 (a) Findings and declaration of policy. It is hereby
17 found and declared that Illinois has abundant coal resources
18 and, in some areas of Illinois, the demand for power exceeds
19 the generating capacity. Incentives to encourage the
20 construction of coal-fired electric generating plants in
21 Illinois to ensure power generating capacity into the future
22 are in the best interests of all of the citizens of Illinois.
23 The Authority is authorized to issue bonds to help finance
24 Clean Coal and Energy projects pursuant to this Section.

25 (b) Definition. "Clean Coal and Energy projects" means
26 new electric generating facilities, as defined in Section
27 605-332 of the Department of Commerce and Economic
28 Opportunity Law of the Civil Administrative Code of Illinois,
29 which may include mine-mouth power plants, projects that
30 employ the use of clean coal technology, projects to provide
31 scrubber technology for existing energy generating plants, or
32 projects to provide electric transmission facilities.

1 (c) Creation of reserve funds. The Authority may
2 establish and maintain one or more reserve funds to enhance
3 bonds issued by the Authority for Clean Coal and Energy
4 projects to develop alternative energy sources, including
5 renewable energy projects, projects to provide scrubber
6 technology for existing energy generating plants or projects
7 to provide electric transmission facilities. There may be one
8 or more accounts in these reserve funds in which there may be
9 deposited:

10 (1) any proceeds of the bonds issued by the
11 Authority required to be deposited therein by the terms
12 of any contract between the Authority and its bondholders
13 or any resolution of the Authority;

14 (2) any other moneys or funds of the Authority that
15 it may determine to deposit therein from any other
16 source; and

17 (3) any other moneys or funds made available to the
18 Authority. Subject to the terms of any pledge to the
19 owners of any bonds, moneys in any reserve fund may be
20 held and applied to the payment of principal, premium, if
21 any, and interest of such bonds.

22 (d) Powers and duties. The Authority has the power:

23 (1) To issue bonds in one or more series pursuant to
24 one or more resolutions of the Authority for any Clean
25 Coal and Energy projects authorized under this Section,
26 within the authorization set forth in subsections (e) and
27 (f).

28 (2) To provide for the funding of any reserves or
29 other funds or accounts deemed necessary by the Authority
30 in connection with any bonds issued by the Authority.

31 (3) To pledge any funds of the Authority or funds
32 made available to the Authority that may be applied to
33 such purpose as security for any bonds or any guarantees,
34 letters of credit, insurance contracts or similar credit

1 support or liquidity instruments securing the bonds.

2 (4) To enter into agreements or contracts with third
3 parties, whether public or private, including, without
4 limitation, the United States of America, the State or
5 any department or agency thereof, to obtain any
6 appropriations, grants, loans or guarantees that are
7 deemed necessary or desirable by the Authority. Any such
8 guarantee, agreement or contract may contain terms and
9 provisions necessary or desirable in connection with the
10 program, subject to the requirements established by the
11 Act.

12 (5) To exercise such other powers as are necessary
13 or incidental to the foregoing.

14 (e) Clean Coal and Energy bond authorization and
15 financing limits. In addition to any other bonds authorized
16 to be issued under Sections 801-40(w), 825-60, 830-25 and
17 845-5, the Authority may have outstanding, at any time, bonds
18 for the purpose enumerated in this Section 825-65 in an
19 aggregate principal amount that shall not exceed
20 \$2,700,000,000, of which no more than \$300,000,000 may be
21 issued to finance transmission facilities, no more than
22 \$500,000,000 may be issued to finance scrubbers at existing
23 generating plants, no more than \$500,000,000 may be issued to
24 finance alternative energy sources, including renewable
25 energy projects and no more than \$1,400,000,000 may be issued
26 to finance new electric generating facilities, as defined in
27 Section 605-332 of the Department of Commerce and Economic
28 Opportunity Law of the Civil Administrative Code of Illinois,
29 which may include mine-mouth power plants. An application for
30 a loan financed from bond proceeds from a borrower or its
31 affiliates for a Clean Coal and Energy project may not be
32 approved by the Authority for an amount in excess of
33 \$450,000,000 for any borrower or its affiliates. These bonds
34 shall not constitute an indebtedness or obligation of the

1 State of Illinois and it shall be plainly stated on the face
2 of each bond that it does not constitute an indebtedness or
3 obligation of the State of Illinois, but is payable solely
4 from the revenues, income or other assets of the Authority
5 pledged therefor.

6 (f) Additional Clean Coal Energy bond authorization and
7 financing limits. In addition to any other bonds authorized
8 to be issued under this Act, the Authority may issue bonds
9 for the purpose enumerated in this Section 825-65 in an
10 aggregate principal amount that shall not exceed
11 \$300,000,000.

12 Section 825-70. Criteria for participation in the
13 program. Applications to the Authority for financing of any
14 Clean Coal and Energy project shall be reviewed by the
15 Authority. Upon submission of any such application, the
16 Authority staff shall review the application for its
17 completeness and may, at the discretion of the Authority
18 staff, request such additional information as it deems
19 necessary or advisable to aid in review. If the Authority
20 receives applications for financing for Clean Coal and Energy
21 projects in excess of the bond authorization available for
22 such financing at any one time, it shall consider
23 applications in the order of priority as it shall determine,
24 in consultation with other State agencies.

25 Section 825-75. Additional Security. In the event that
26 the Authority determines that monies of the Authority will
27 not be sufficient for the payment of the principal of and
28 interest on any bonds issued by the Authority under Sections
29 825-65 through 825-75 of this Act for energy generation
30 projects that advance clean coal technology and the use of
31 Illinois coal during the next State fiscal year, the
32 Chairperson, as soon as practicable, shall certify to the

1 Governor the amount required by the Authority to enable it to
2 pay such principal, premium, if any, and interest on such
3 bonds. The Governor shall submit the amount so certified to
4 the General Assembly as soon as practicable, but no later
5 than the end of the current State fiscal year. This
6 subsection shall not apply to any bonds or notes as to which
7 the Authority shall have determined, in the resolution
8 authorizing the issuance of the bonds or notes, that this
9 subsection shall not apply. Whenever the Authority makes such
10 a determination, that fact shall be plainly stated on the
11 face of the bonds or notes and that fact should also be
12 reported to the Governor. In the event of a withdrawal of
13 moneys from a reserve fund established with respect to any
14 issue or issues of bonds of the Authority to pay principal,
15 premium, if any, and interest on such bonds, the Chairman of
16 the Authority, as soon as practicable, shall certify to the
17 Governor the amount required to restore the reserve fund to
18 the level required in the resolution or indenture securing
19 those bonds. The Governor shall submit the amount so
20 certified to the General Assembly as soon as practicable, but
21 no later than the end of the current State fiscal year. The
22 Authority shall obtain written approval from the Governor for
23 any bonds and notes to be issued under this Section.

24

ARTICLE 830

25

AGRICULTURAL ASSISTANCE

26

Section 830-5. The Authority shall have the following
27 powers:

28

(a) To loan its funds to one or more persons to be used
29 by such persons to pay the costs of acquiring, constructing,
30 reconstructing or improving Agricultural Facilities, soil or
31 water conservation projects or watershed areas, such loans to
32 be on such terms and conditions, and for such period of time,

1 and secured or evidenced by such mortgages, deeds of trust,
2 notes debentures, bonds or other secured or unsecured
3 evidences of indebtedness of such persons as the Board may
4 determine;

5 (b) To loan its funds to any agribusiness which operates
6 or will operate a facility located in Illinois for those
7 purposes permitted by rules and regulations issued pursuant
8 to the Internal Revenue Code of 1954, as amended, relating to
9 the use of moneys loaned from the proceeds from the issuance
10 of industrial development revenue bonds; such loans shall be
11 on terms and conditions, and for periods of time, and secured
12 or evidenced by mortgages, deeds of trust, notes, debentures,
13 bonds or other secured or unsecured evidences of indebtedness
14 of such agribusiness as the Board may require;

15 (c) To purchase, or to make commitments to purchase, from
16 lenders notes, debentures, bonds or other evidences of
17 indebtedness secured by mortgages, deeds of trust, or
18 security devices, or unsecured, as the Authority may
19 determine, or portions thereof or participations therein,
20 which notes, bonds, or other evidences of indebtedness shall
21 have been or will be executed by the obligors thereon to
22 obtain funds with which to acquire, by purchase,
23 construction, or otherwise, reconstruct or improve
24 Agricultural Facilities;

25 (d) To contract with lenders or others for the
26 origination of or the servicing of the loans made by the
27 Authority pursuant to this Section or represented by the
28 notes, bonds, or other evidences of indebtedness which it has
29 purchased pursuant to this Section; provided that such
30 servicing fees shall not exceed one per cent per annum of the
31 principal amount outstanding owed to the Authority; and

32 (e) To enter into a State Guarantee with a lender or a
33 person holding a note and to sell or issue such State
34 Guarantees, bonds or evidences of indebtedness in a primary

1 or a secondary market.

2 Section 830-10. (a) The Authority shall establish a Farm
3 Debt Relief Program to help provide eligible Illinois farmers
4 with State assistance in meeting their farming-related debts.

5 (b) To be eligible for the program, a person must (1) be
6 actively engaged in farming in this State, (2) have
7 farming-related debts in an amount equal to at least 55% of
8 the person's total assets, and (3) demonstrate that he can
9 secure credit from a conventional lender for the 1986 crop
10 year.

11 (c) An eligible person may apply to the Authority, in
12 such manner as the Authority may specify, for a one-time farm
13 debt relief payment of up to 2% of the person's outstanding
14 farming-related debt. If the Authority determines that the
15 applicant is eligible for a payment under this Section, it
16 may then approve a payment to the applicant. Such payment
17 shall consist of a payment made by the Authority directly to
18 one or more of the applicant's farming-related creditors, to
19 be applied to the reduction of the applicant's
20 farming-related debt. The applicant shall be entitled to
21 select the creditor or creditors to receive the payment,
22 unless the applicant is subject to the jurisdiction of a
23 bankruptcy court, in which case the selection of the court
24 shall control.

25 (d) Payments shall be made from the Farm Emergency
26 Assistance Fund, which is hereby established as a special
27 fund in the State Treasury, from funds appropriated to the
28 Authority for that purpose. No grant may exceed the lesser of
29 (1) 2% of the applicant's outstanding farm-related debt, or
30 (2) \$2000. Not more than one grant under this Section may be
31 made to any one person, or to any one household, or to any
32 single farming operation.

33 (e) Payments to applicants having farming-related debts

1 in an amount equal to at least 55% of the person's total
2 assets, but less than 70%, shall be repaid by the applicant
3 to the Authority for deposit into the Farm Emergency
4 Assistance Fund within five years from the date the payment
5 was made. Repayment shall be made in equal installments
6 during the five year period with no additional interest
7 charge and may be prepaid in whole or in part at any time.
8 Applicants having farming-related debts in an amount equal to
9 at least 70% of the person's total assets shall not be
10 required to make any repayment. Assets shall include, but not
11 be limited to, the following: cash crops or feed on hand;
12 livestock held for sale; breeding stock; marketable bonds and
13 securities; securities not readily marketable; accounts
14 receivable; notes receivable; cash invested in growing crops;
15 net cash value of life insurance; machinery and equipment;
16 cars and trucks; farm and other real estate including life
17 estates and personal residence; value of beneficial interests
18 in trusts; government payments or grants; and any other
19 assets. Debts shall include, but not be limited to, the
20 following: accounts payable; notes or other indebtedness owed
21 to any source; taxes; rent; amounts owed on real estate
22 contracts or real estate mortgages; judgments; accrued
23 interest payable; and any other liability.

24 Section 830-15. Interest-buy-back program.

25 (a) The Authority shall establish an interest-buy-back
26 program to subsidize the interest cost on certain loans to
27 Illinois farmers.

28 (b) To be eligible an applicant must (i) be a resident of
29 Illinois; (ii) be a principal operator of a farm or land;
30 (iii) derive at least 50% of annual gross income from
31 farming; and (iv) have a net worth of at least \$10,000. The
32 Authority shall establish minimum and maximum financial
33 requirements, maximum payment amounts, starting and ending

1 dates for the program, and other criteria.

2 (c) Lenders may apply on behalf of eligible applicants on
3 forms provided by the Authority. Lenders may submit requests
4 for payment on forms provided by the Authority. Lenders and
5 applicants shall be responsible for any fees or charges the
6 Authority may require.

7 (d) The Authority shall make payments to lenders from
8 available appropriations from the General Revenue Fund.

9 Section 830-20. The Authority may not pass a resolution
10 authorizing the issuance of any notes or bonds in excess of
11 \$250,000 for any one agricultural real estate borrower. No
12 proceeds from any bonds issued by the Authority shall be
13 loaned to any natural person who has a net worth in excess of
14 \$500,000 for the purchase of new depreciable agricultural
15 property or to any agribusiness that, including all
16 affiliates and subsidiaries, has more than 100 employees and
17 a gross income exceeding \$2,000,000 for the preceding
18 calendar year; provided, however, that the employee size and
19 gross income limitations shall not apply to any loans to
20 agribusinesses for research and development purposes, and
21 provided further that the Authority shall retain the power to
22 waive such limitations for any agribusiness that, at the time
23 of application, does not operate a facility within this
24 State.

25 Section 830-25. Bonded indebtedness limitation. The
26 Authority shall not have outstanding at any one time State
27 Guarantees under Section 830-30 in an aggregate principal
28 amount exceeding \$160,000,000. The Authority shall not have
29 outstanding at any one time State Guarantees under Sections
30 830-35, 830-45 and 830-50 in an aggregate principal amount
31 exceeding \$75,000,000.

1 Section 830-30. State Guarantees for existing debt.

2 (a) The Authority is authorized to issue State Guarantees
3 for farmers' existing debts held by a lender. For the
4 purposes of this Section, a farmer shall be a resident of
5 Illinois, who is a principal operator of a farm or land, at
6 least 50% of whose annual gross income is derived from
7 farming and whose debt to asset ratio shall not be less than
8 40%, except in those cases where the applicant has previously
9 used the guarantee program there shall be no debt to asset
10 ratio or income restriction. For the purposes of this
11 Section, debt to asset ratio shall mean the current
12 outstanding liabilities of the farmer divided by the current
13 outstanding assets of the farmer. The Authority shall
14 establish the maximum permissible debt to asset ratio based
15 on criteria established by the Authority. Lenders shall apply
16 for the State Guarantees on forms provided by the Authority
17 and certify that the application and any other documents
18 submitted are true and correct. The lender or borrower, or
19 both in combination, shall pay an administrative fee as
20 determined by the Authority. The applicant shall be
21 responsible for paying any fees or charges involved in
22 recording mortgages, releases, financing statements,
23 insurance for secondary market issues and any other similar
24 fees or charges as the Authority may require. The application
25 shall at a minimum contain the farmer's name, address,
26 present credit and financial information, including cash flow
27 statements, financial statements, balance sheets, and any
28 other information pertinent to the application, and the
29 collateral to be used to secure the State Guarantee. In
30 addition, the lender must agree to bring the farmer's debt to
31 a current status at the time the State Guarantee is provided
32 and must also agree to charge a fixed or adjustable interest
33 rate which the Authority determines to be below the market
34 rate of interest generally available to the borrower. If both

1 the lender and applicant agree, the interest rate on the
2 State Guarantee Loan can be converted to a fixed interest
3 rate at any time during the term of the loan. Any State
4 Guarantees provided under this Section (i) shall not exceed
5 \$500,000 per farmer, (ii) shall be set up on a payment
6 schedule not to exceed 30 years, and shall be no longer than
7 30 years in duration, and (iii) shall be subject to an annual
8 review and renewal by the lender and the Authority; provided
9 that only one such State Guarantee shall be outstanding per
10 farmer at any one time. No State Guarantee shall be revoked
11 by the Authority without a 90-day notice, in writing, to all
12 parties. In those cases where the borrower has not previously
13 used the guarantee program, the lender shall not call due any
14 loan during the first 3 years for any reason except for lack
15 of performance or insufficient collateral. The lender can
16 review and withdraw or continue with the State Guarantee on
17 an annual basis after the first 3 years of the loan, provided
18 a 90 day notice, in writing, to all parties has been given.

19 (b) The Authority shall provide or renew a State
20 Guarantee to a lender if:

21 (i) A fee equal to 25 basis points on the loan is
22 paid to the Authority on an annual basis by the lender.

23 (ii) The application provides collateral acceptable
24 to the Authority that is at least equal to the State's
25 portion of the Guarantee to be provided.

26 (iii) The lender assumes all responsibility and
27 costs for pursuing legal action on collecting any loan
28 that is delinquent or in default.

29 (iv) The lender is responsible for the first 15% of
30 the outstanding principal of the note for which the State
31 Guarantee has been applied.

32 (c) There is hereby created outside of the State Treasury
33 a special fund to be known as the Illinois Agricultural Loan
34 Guarantee Fund. The State Treasurer shall be custodian of

1 this Fund. Any amounts in the Illinois Agricultural Loan
2 Guarantee Fund not currently needed to meet the obligations
3 of the Fund shall be invested as provided by law, and all
4 interest earned from these investments shall be deposited
5 into the Fund until the Fund reaches the maximum amount
6 authorized in this Act; thereafter, interest earned shall be
7 deposited into the General Revenue Fund. After September 1,
8 1989, annual investment earnings equal to 1.5% of the Fund
9 shall remain in the Fund to be used for the purposes
10 established in Section 830-40 of this Act. The Authority is
11 authorized to transfer to the Fund such amounts as are
12 necessary to satisfy claims during the duration of the State
13 Guarantee program to secure State Guarantees issued under
14 this Section. If for any reason the General Assembly fails to
15 make an appropriation sufficient to meet these obligations,
16 this Act shall constitute an irrevocable and continuing
17 appropriation of an amount necessary to secure guarantees as
18 defaults occur and the irrevocable and continuing authority
19 for, and direction to, the State Treasurer and the
20 Comptroller to make the necessary transfers to the Illinois
21 Agricultural Loan Guarantee Fund, as directed by the
22 Governor, out of the General Revenue Fund. Within 30 days
23 after November 15, 1985, the Authority may transfer up to
24 \$7,000,000 from available appropriations into the Illinois
25 Agricultural Loan Guarantee Fund for the purposes of this
26 Act. Thereafter, the Authority may transfer additional
27 amounts into the Illinois Agricultural Loan Guarantee Fund to
28 secure guarantees for defaults as defaults occur. In the
29 event of default by the farmer, the lender shall be entitled
30 to, and the Authority shall direct payment on, the State
31 Guarantee after 90 days of delinquency. All payments by the
32 Authority shall be made from the Illinois Agricultural Loan
33 Guarantee Fund to satisfy claims against the State Guarantee.
34 The Illinois Agricultural Loan Guarantee Fund shall guarantee

1 receipt of payment of the 85% of the principal and interest
2 owed on the State Guarantee Loan by the farmer to the
3 guarantee holder. It shall be the responsibility of the
4 lender to proceed with the collecting and disposing of
5 collateral on the State Guarantee within 14 months of the
6 time the State Guarantee is declared delinquent; provided,
7 however, that the lender shall not collect or dispose of
8 collateral on the State Guarantee without the express written
9 prior approval of the Authority. If the lender does not
10 dispose of the collateral within 14 months, the lender shall
11 be liable to repay to the State interest on the State
12 Guarantee equal to the same rate which the lender charges on
13 the State Guarantee; provided, however, that the Authority
14 may extend the 14 month period for a lender in the case of
15 bankruptcy or extenuating circumstances. The Fund shall be
16 reimbursed for any amounts paid under this Section upon
17 liquidation of the collateral. The Authority, by resolution
18 of the Board, may borrow sums from the Fund and provide for
19 repayment as soon as may be practical upon receipt of
20 payments of principal and interest by a farmer. Money may be
21 borrowed from the Fund by the Authority for the sole purpose
22 of paying certain interest costs for farmers associated with
23 selling a loan subject to a State Guarantee in a secondary
24 market as may be deemed reasonable and necessary by the
25 Authority.

26 (d) Notwithstanding the provisions of this Section 830-30
27 with respect to the farmers and lenders who may obtain State
28 Guarantees, the Authority may promulgate rules establishing
29 the eligibility of farmers and lenders to participate in the
30 State guarantee program and the terms, standards, and
31 procedures that will apply, when the Authority finds that
32 emergency conditions in Illinois agriculture have created the
33 need for State Guarantees pursuant to terms, standards, and
34 procedures other than those specified in this Section.

1 Section 830-35. State Guarantees for loans to farmers and
2 agribusiness; eligibility.

3 (a) The Authority is authorized to issue State Guarantees
4 to lenders for loans to eligible farmers and agribusinesses
5 for purposes set forth in this Section. For purposes of this
6 Section, an eligible farmer shall be a resident of Illinois
7 (i) who is principal operator of a farm or land, at least 50%
8 of whose annual gross income is derived from farming, (ii)
9 whose annual total sales of agricultural products,
10 commodities, or livestock exceeds \$20,000, and (iii) whose
11 net worth does not exceed \$500,000. An eligible agribusiness
12 shall be that as defined in Section 801-10 of this Act. The
13 Authority may approve applications by farmers and
14 agribusinesses that promote diversification of the farm
15 economy of this State through the growth and development of
16 new crops or livestock not customarily grown or produced in
17 this State or that emphasize a vertical integration of grain
18 or livestock produced or raised in this State into a finished
19 agricultural product for consumption or use. "New crops or
20 livestock not customarily grown or produced in this State"
21 shall not include corn, soybeans, wheat, swine, or beef or
22 dairy cattle. "Vertical integration of grain or livestock
23 produced or raised in this State" shall include any new or
24 existing grain or livestock grown or produced in this State.
25 Lenders shall apply for the State Guarantees on forms
26 provided by the Authority, certify that the application and
27 any other documents submitted are true and correct, and pay
28 an administrative fee as determined by the Authority. The
29 applicant shall be responsible for paying any fees or charges
30 involved in recording mortgages, releases, financing
31 statements, insurance for secondary market issues and any
32 other similar fees or charges as the Authority may require.
33 The application shall at a minimum contain the farmer's or
34 agribusiness' name, address, present credit and financial

1 information, including cash flow statements, financial
2 statements, balance sheets, and any other information
3 pertinent to the application, and the collateral to be used
4 to secure the State Guarantee. In addition, the lender must
5 agree to charge an interest rate, which may vary, on the loan
6 that the Authority determines to be below the market rate of
7 interest generally available to the borrower. If both the
8 lender and applicant agree, the interest rate on the State
9 Guarantee Loan can be converted to a fixed interest rate at
10 any time during the term of the loan. Any State Guarantees
11 provided under this Section (i) shall not exceed \$500,000 per
12 farmer or an amount as determined by the Authority on a
13 case-by-case basis for an agribusiness, (ii) shall not exceed
14 a term of 15 years, and (iii) shall be subject to an annual
15 review and renewal by the lender and the Authority; provided
16 that only one such State Guarantee shall be made per farmer
17 or agribusiness, except that additional State Guarantees may
18 be made for purposes of expansion of projects financed in
19 part by a previously issued State Guarantee. No State
20 Guarantee shall be revoked by the Authority without a 90-day
21 notice, in writing, to all parties. The lender shall not call
22 due any loan for any reason except for lack of performance,
23 insufficient collateral, or maturity. A lender may review and
24 withdraw or continue with a State Guarantee on an annual
25 basis after the first 5 years following closing of the loan
26 application if the loan contract provides for an interest
27 rate that shall not vary. A lender shall not withdraw a State
28 Guarantee if the loan contract provides for an interest rate
29 that may vary, except for reasons set forth herein.

30 (b) The Authority shall provide or renew a State
31 Guarantee to a lender if:

32 (i) A fee equal to 25 basis points on the loan is
33 paid to the Authority on an annual basis by the lender.

34 (ii) The application provides collateral acceptable

1 to the Authority that is at least equal to the State's
2 portion of the Guarantee to be provided.

3 (iii) The lender assumes all responsibility and
4 costs for pursuing legal action on collecting any loan
5 that is delinquent or in default.

6 (iv) The lender is responsible for the first 15% of
7 the outstanding principal of the note for which the State
8 Guarantee has been applied.

9 (c) There is hereby created outside of the State Treasury
10 a special fund to be known as the Illinois Farmer and
11 Agribusiness Loan Guarantee Fund. The State Treasurer shall
12 be custodian of this Fund. Any amounts in the Fund not
13 currently needed to meet the obligations of the Fund shall be
14 invested as provided by law, and all interest earned from
15 these investments shall be deposited into the Fund until the
16 Fund reaches the maximum amounts authorized in this Act;
17 thereafter, interest earned shall be deposited into the
18 General Revenue Fund. After September 1, 1989, annual
19 investment earnings equal to 1.5% of the Fund shall remain in
20 the Fund to be used for the purposes established in Section
21 830-40 of this Act. The Authority is authorized to transfer
22 such amounts as are necessary to satisfy claims from
23 available appropriations and from fund balances of the Farm
24 Emergency Assistance Fund as of June 30 of each year to the
25 Illinois Farmer and Agribusiness Loan Guarantee Fund to
26 secure State Guarantees issued under this Section and
27 Sections 830-45 and 830-50. If for any reason the General
28 Assembly fails to make an appropriation sufficient to meet
29 these obligations, this Act shall constitute an irrevocable
30 and continuing appropriation of an amount necessary to secure
31 guarantees as defaults occur and the irrevocable and
32 continuing authority for, and direction to, the State
33 Treasurer and the Comptroller to make the necessary transfers
34 to the Illinois Farmer and Agribusiness Loan Guarantee Fund,

1 as directed by the Governor, out of the General Revenue Fund.
2 In the event of default by the borrower on State Guarantee
3 Loans under this Section, Section 830-45 or Section 830-50,
4 the lender shall be entitled to, and the Authority shall
5 direct payment on, the State Guarantee after 90 days of
6 delinquency. All payments by the Authority shall be made from
7 the Illinois Farmer and Agribusiness Loan Guarantee Fund to
8 satisfy claims against the State Guarantee. It shall be the
9 responsibility of the lender to proceed with the collecting
10 and disposing of collateral on the State Guarantee under this
11 Section, Section 830-45 or Section 830-50 within 14 months of
12 the time the State Guarantee is declared delinquent. If the
13 lender does not dispose of the collateral within 14 months,
14 the lender shall be liable to repay to the State interest on
15 the State Guarantee equal to the same rate that the lender
16 charges on the State Guarantee, provided that the Authority
17 shall have the authority to extend the 14 month period for a
18 lender in the case of bankruptcy or extenuating
19 circumstances. The Fund shall be reimbursed for any amounts
20 paid under this Section, Section 830-45 or Section 830-50
21 upon liquidation of the collateral. The Authority, by
22 resolution of the Board, may borrow sums from the Fund and
23 provide for repayment as soon as may be practical upon
24 receipt of payments of principal and interest by a borrower
25 on State Guarantee Loans under this Section, Section 830-45
26 or Section 830-50. Money may be borrowed from the Fund by the
27 Authority for the sole purpose of paying certain interest
28 costs for borrowers associated with selling a loan subject to
29 a State Guarantee under this Section, Section 830-45 or
30 Section 830-50 in a secondary market as may be deemed
31 reasonable and necessary by the Authority.

32 (d) Notwithstanding the provisions of this Section 830-35
33 with respect to the farmers, agribusinesses, and lenders who
34 may obtain State Guarantees, the Authority may promulgate

1 rules establishing the eligibility of farmers,
2 agribusinesses, and lenders to participate in the State
3 Guarantee program and the terms, standards, and procedures
4 that will apply, when the Authority finds that emergency
5 conditions in Illinois agriculture have created the need for
6 State Guarantees pursuant to terms, standards, and procedures
7 other than those specified in this Section.

8 Section 830-40. Cooperative agreement with the University
9 of Illinois.

10 (a) The Authority may enter into a cooperative agreement
11 with the University of Illinois whereby the University's
12 College of Agriculture, or a department thereof, shall assess
13 and evaluate the need for additional, and the performance of
14 existing, State credit and finance programs administered by
15 the Authority for farmers and agribusinesses. Pursuant to the
16 cooperative agreement, the Authority may request from the
17 University an evaluation of financial positions and lending
18 risks of existing farm operations and existing and developing
19 agricultural industries, an assessment and evaluation of the
20 design, operation and performance of existing and proposed
21 credit programs, an assessment of potential for development
22 of agricultural industry, an assessment of the performance of
23 credit markets and development of improved State credit
24 instruments and programs, and any other information deemed
25 necessary by the Authority to carry forth its credit and
26 finance programs.

27 (b) A cooperative agreement entered into by the Authority
28 and the University may provide for payment for services
29 rendered by the University pursuant to the cooperative
30 agreement from interest earnings remaining in the Illinois
31 Agricultural Loan Guarantee Fund, as provided for in Section
32 830-30 of this Act, and the Illinois Farmer and Agribusiness
33 Loan Guarantee Fund, as provided for in Section 830-40 of

1 this Act.

2 Section 830-45. Young Farmer Loan Guarantee Program.

3 (a) The Authority is authorized to issue State Guarantees
4 to lenders for loans to finance or refinance debts of young
5 farmers. For the purposes of this Section, a young farmer is
6 a resident of Illinois who is at least 18 years of age and
7 who is a principal operator of a farm or land, who derives at
8 least 50% of annual gross income from farming, whose net
9 worth is not less than \$10,000 and whose debt to asset ratio
10 is not less than 40%. For the purposes of this Section, debt
11 to asset ratio means current outstanding liabilities,
12 including any debt to be financed or refinanced under this
13 Section 830-45, divided by current outstanding assets. The
14 Authority shall establish the maximum permissible debt to
15 asset ratio based on criteria established by the Authority.
16 Lenders shall apply for the State Guarantees on forms
17 provided by the Authority and certify that the application
18 and any other documents submitted are true and correct. The
19 lender or borrower, or both in combination, shall pay an
20 administrative fee as determined by the Authority. The
21 applicant shall be responsible for paying any fee or charge
22 involved in recording mortgages, releases, financing
23 statements, insurance for secondary market issues, and any
24 other similar fee or charge that the Authority may require.
25 The application shall at a minimum contain the young farmer's
26 name, address, present credit and financial information,
27 including cash flow statements, financial statements, balance
28 sheets, and any other information pertinent to the
29 application, and the collateral to be used to secure the
30 State Guarantee. In addition, the borrower must certify to
31 the Authority that, at the time the State Guarantee is
32 provided, the borrower will not be delinquent in the
33 repayment of any debt. The lender must agree to charge a

1 fixed or adjustable interest rate that the Authority
2 determines to be below the market rate of interest generally
3 available to the borrower. If both the lender and applicant
4 agree, the interest rate on the State guaranteed loan can be
5 converted to a fixed interest rate at any time during the
6 term of the loan. State Guarantees provided under this
7 Section (i) shall not exceed \$500,000 per young farmer, (ii)
8 shall be set up on a payment schedule not to exceed 30 years,
9 but shall be no longer than 15 years in duration, and (iii)
10 shall be subject to an annual review and renewal by the
11 lender and the Authority. A young farmer may use this program
12 more than once provided the aggregate principal amount of
13 State Guarantees under this Section to that young farmer does
14 not exceed \$500,000. No State Guarantee shall be revoked by
15 the Authority without a 90-day notice, in writing, to all
16 parties.

17 (b) The Authority shall provide or renew a State
18 Guarantee to a lender if:

19 (i) The lender pays a fee equal to 25 basis points
20 on the loan to the Authority on an annual basis.

21 (ii) The application provides collateral acceptable
22 to the Authority that is at least equal to the State
23 Guarantee.

24 (iii) The lender assumes all responsibility and
25 costs for pursuing legal action on collecting any loan
26 that is delinquent or in default.

27 (iv) The lender is at risk for the first 15% of the
28 outstanding principal of the note for which the State
29 Guarantee is provided.

30 (c) The Illinois Farmer and Agribusiness Loan Guarantee
31 Fund may be used to secure State Guarantees issued under this
32 Section as provided in Section 830-35.

33 (d) Notwithstanding the provisions of this Section 830-45
34 with respect to the young farmers and lenders who may obtain

1 State Guarantees, the Authority may promulgate rules
2 establishing the eligibility of young farmers and lenders to
3 participate in the State Guarantee program and the terms,
4 standards, and procedures that will apply, when the Authority
5 finds that emergency conditions in Illinois agriculture have
6 created the need for State Guarantees pursuant to terms,
7 standards, and procedures other than those specified in this
8 Section.

9 Section 830-50. Specialized Livestock Guarantee Program.

10 (a) The Authority is authorized to issue State Guarantees
11 to lenders for loans to finance or refinance debts for
12 specialized livestock operations that are or will be located
13 in Illinois. For purposes of this Section, a "specialized
14 livestock operation" includes, but is not limited to, dairy,
15 beef, and swine enterprises.

16 (b) Lenders shall apply for the State Guarantees on forms
17 provided by the Authority and certify that the application
18 and any other documents submitted are true and correct. The
19 lender or borrower, or both in combination, shall pay an
20 administrative fee as determined by the Authority. The
21 applicant shall be responsible for paying any fee or charge
22 involved in recording mortgages, releases, financing
23 statements, insurance for secondary market issues, and any
24 other similar fee or charge that the Authority may require.
25 The application shall, at a minimum, contain the farmer's
26 name, address, present credit and financial information,
27 including cash flow statements, financial statements, balance
28 sheets, and any other information pertinent to the
29 application, and the collateral to be used to secure the
30 State Guarantee. In addition, the borrower must certify to
31 the Authority that, at the time the State Guarantee is
32 provided, the borrower will not be delinquent in the
33 repayment of any debt. The lender must agree to charge a

1 fixed or adjustable interest rate that the Authority
2 determines to be below the market rate of interest generally
3 available to the borrower. If both the lender and applicant
4 agree, the interest rate on the State guaranteed loan can be
5 converted to a fixed interest rate at any time during the
6 term of the loan.

7 (c) State Guarantees provided under this Section (i)
8 shall not exceed \$1,000,000 per applicant, (ii) shall be no
9 longer than 15 years in duration, and (iii) shall be subject
10 to an annual review and renewal by the lender and the
11 Authority. An applicant may use this program more than once,
12 provided that the aggregate principal amount of State
13 Guarantees under this Section to that applicant does not
14 exceed \$1,000,000. A State Guarantee shall not be revoked by
15 the Authority without a 90-day notice, in writing, to all
16 parties.

17 (d) The Authority shall provide or renew a State
18 Guarantee to a lender if: (i) The lender pays a fee equal to
19 25 basis points on the loan to the Authority on an annual
20 basis. (ii) The application provides collateral acceptable to
21 the Authority that is at least equal to the State Guarantee.
22 (iii) The lender assumes all responsibility and costs for
23 pursuing legal action on collecting any loan that is
24 delinquent or in default. (iv) The lender is at risk for the
25 first 15% of the outstanding principal of the note for which
26 the State Guarantee is provided.

27 (e) The Illinois Farmer and Agribusiness Loan Guarantee
28 Fund may be used to secure State Guarantees issued under this
29 Section as provided in Section 830-35.

30 (f) Notwithstanding the provisions of this Section 830-50
31 with respect to the specialized livestock operations and
32 lenders who may obtain State Guarantees, the Authority may
33 promulgate rules establishing the eligibility of specialized
34 livestock operations and lenders to participate in the State

1 Guarantee program and the terms, standards, and procedures
2 that will apply, when the Authority finds that emergency
3 conditions in Illinois agriculture have created the need for
4 State Guarantees pursuant to terms, standards, and procedures
5 other than those specified in this Section.

6 ARTICLE 840

7 HEALTH FACILITIES DEVELOPMENT

8 Section 840-5. The Authority shall have the following
9 powers:

10 (a) To fix and revise from time to time and charge and
11 collect rates, rents, fees and charges for the use of and for
12 the services furnished or to be furnished by a project or
13 other health facilities owned, financed or refinanced by the
14 Authority or any portion thereof and to contract with any
15 person, partnership, association or corporation or other
16 body, public or private, in respect thereto; to coordinate
17 its policies and procedures and cooperate with recognized
18 health facility rate setting mechanisms which may now or
19 hereafter be established.

20 (b) To establish rules and regulations for the use of a
21 project or other health facilities owned, financed or
22 refinanced by the Authority or any portion thereof and to
23 designate a participating health institution as its agent to
24 establish rules and regulations for the use of a project or
25 other health facilities owned by the Authority undertaken for
26 that participating health institution.

27 (c) To establish or contract with others to carry out on
28 its behalf a health facility project cost estimating service
29 and to make this service available on all projects to provide
30 expert cost estimates and guidance to the participating
31 health institution and to the Authority. In order to
32 implement this service and, through it, to contribute to cost

1 containment, the Authority shall have the power to require
2 such reasonable reports and documents from health facility
3 projects as may be required for this service and for the
4 development of cost reports and guidelines. The Authority may
5 appoint a Technical Committee on Health Facility Project
6 Costs and Cost Containment.

7 (d) To make mortgage or other secured or unsecured loans
8 to or for the benefit of any participating health institution
9 for the cost of a project in accordance with an agreement
10 between the Authority and the participating health
11 institution; provided that no such loan shall exceed the
12 total cost of the project as determined by the participating
13 health institution and approved by the Authority; provided
14 further that such loans may be made to any entity affiliated
15 with a participating health institution if the proceeds of
16 such loan are made available to or applied for the benefit of
17 such participating health institution.

18 (e) To make mortgage or other secured or unsecured loans
19 to or for the benefit of a participating health institution
20 in accordance with an agreement between the Authority and the
21 participating health institution to refund outstanding
22 obligations, loans, indebtedness or advances issued, made,
23 given or incurred by such participating health institution
24 for the cost of a project; including the function to issue
25 bonds and make loans to or for the benefit of a participating
26 health institution to refinance indebtedness incurred by such
27 participating health institution in projects undertaken and
28 completed or for other health facilities acquired prior to or
29 after the enactment of this Act when the Authority finds that
30 such refinancing is in the public interest, and either
31 alleviates a financial hardship of such participating health
32 institution, or is in connection with other financing by the
33 Authority for such participating health institution or may be
34 expected to result in a lessened cost of patient care and a

1 saving to third parties, including government, and to others
2 who must pay for care, or any combination thereof; provided
3 further that such loans may be made to any entity affiliated
4 with a participating health institution if the proceeds of
5 such loan are made available to or applied for the benefit of
6 such participating health institution.

7 (f) To mortgage all or any portion of a project or other
8 health facilities and the property on which any such project
9 or other health facilities are located whether owned or
10 thereafter acquired, and to assign or pledge mortgages, deeds
11 of trust, indentures of mortgage or trust or similar
12 instruments, notes, and other securities of participating
13 health institutions to which or for the benefit of which the
14 Authority has made loans or of entities affiliated with such
15 institutions and the revenues therefrom, including payments
16 or income from any thereof owned or held by the Authority,
17 for the benefit of the holders of bonds issued to finance
18 such project or health facilities or issued to refund or
19 refinance outstanding obligations, loans, indebtedness or
20 advances of participating health institutions as permitted by
21 this Act.

22 (g) To lease to a participating health institution the
23 project being financed or refinanced or other health
24 facilities conveyed to the Authority in connection with such
25 financing or refinancing, upon such terms and conditions as
26 the Authority shall deem proper, and to charge and collect
27 rents therefor and to terminate any such lease upon the
28 failure of the lessee to comply with any of the obligations
29 thereof; and to include in any such lease, if desired,
30 provisions that the lessee thereof shall have options to
31 renew the lease for such period or periods and at such rent
32 as shall be determined by the Authority or to purchase any or
33 all of the health facilities or that upon payment of all of
34 the indebtedness incurred by the Authority for the financing

1 of such project or health facilities or for refunding
2 outstanding obligations, loans, indebtedness or advances of a
3 participating health institution, then the Authority may
4 convey any or all of the project or such other health
5 facilities to the lessee or lessees thereof with or without
6 consideration.

7 (h) To make studies of needed health facilities that
8 could not sustain a loan were it made under this Act and to
9 recommend remedial action to the General Assembly; to do the
10 same with regard to any laws or regulations that prevent
11 health facilities from benefiting from this Act.

12 (i) To assist the Department of Commerce and Economic
13 Opportunity to establish and implement a program to assist
14 health facilities to identify and arrange financing for
15 energy conservation projects in buildings and facilities
16 owned or leased by health facilities.

17 (j) To assist the Department of Human Services in
18 establishing a low interest loan program to help child care
19 centers and family day care homes serving children of low
20 income families under Section 22.4 of the Children and Family
21 Services Act.

22 Section 840-10. By means of this Act it is the intent of
23 the General Assembly to provide a measure of assistance and
24 alternative methods of financing to participating health
25 institutions to aid them in providing needed health
26 facilities that will assure admission and care of high
27 quality to all who need it and in dealing with the cash
28 requirements of such facilities, whether resulting from
29 capital expenditures, operating expenditures, delays in the
30 receipt of payments for services or otherwise.

31 Section 840-15. The Authority is authorized and empowered
32 to acquire, directly or by and through a participating health

1 institution as its agent, by purchase solely from funds
2 provided under the authority of this Act, or by gift or
3 legacy, such lands, structures, property, real or personal,
4 rights, rights-of-way, franchises, easements and other
5 interests in lands, including lands lying under water and
6 riparian rights, which are located within the State as it may
7 deem necessary or convenient for the construction or
8 operation of a project, upon such terms and at such prices as
9 may be considered by it to be reasonable and can be agreed
10 upon between it and the owner thereof, and to take title
11 thereto in the name of the Authority or in the name of a
12 participating health institution as its agent.

13 Section 840-20. It is the intent and purpose of this Act
14 that the exercise by the Authority of the powers granted to
15 it shall be in all respects for the benefit of the people of
16 this state to assist them to provide needed health facilities
17 of the number, size, type, distribution, and operation that
18 will assure admission and care of high quality to all who
19 need it. To this end, the Authority is charged with the
20 responsibility to identify and study all projects which are
21 determined by health planning agencies to be needed but which
22 could not sustain a loan were such to be made to it under
23 this Act. The Authority shall, following such study,
24 formulate and recommend to the General Assembly, such
25 amendments to this and other Acts, and such other specific
26 measures as grants, loan guarantees, interest subsidies or
27 other actions as may be provided for by the state which
28 actions would render the construction and operation of such
29 needed health facility feasible and in the public interest.
30 Further, the Authority is charged with responsibility to
31 identify and study any laws or regulations which it finds
32 handicaps or bars a needed health facility from participating
33 in the benefits of this Act and to recommend to the General

1 Assembly such actions as will remedy such situation.

2 Section 840-25. The Authority shall fix, revise, charge
3 and collect rents for the use of each health facility owned
4 by the Authority and contract with any person, partnership,
5 association or corporation, or other body, public or private,
6 in respect thereof. Each lease entered into by the Authority
7 with a participating health institution and each agreement,
8 note, mortgage or other instrument evidencing the obligations
9 of a participating health institution to the Authority shall
10 provide that the rents or principal, interest and other
11 charges payable by or for the benefit of the participating
12 health institution or the process of accounts receivable
13 purchased by the Authority from the participating health
14 institution shall be sufficient at all times, (a) to pay its
15 share of the administrative costs and expenses of the
16 Authority, (b) to pay the cost of maintaining, repairing and
17 operating the project and other related health facilities and
18 each and every portion thereof, (c) to pay the principal of,
19 the premium, if any, and the interest on outstanding bonds of
20 the Authority issued in respect of such project as the same
21 shall become due and payable, and (d) to create and maintain
22 reserves which may but need not be required or provided for
23 in the bond resolution relating to such bonds of the
24 Authority. The Authority shall pledge the revenues derived
25 and to be derived from a project or other related health
26 facilities or from a participating health institution or an
27 affiliate thereof for the purposes specified in (a), (b), (c)
28 and (d) of the preceding sentence and additional bonds may be
29 issued which may rank on a parity with other bonds relating
30 to the project to the extent and on the terms and conditions
31 provided in the bond resolution. Such pledge shall be valid
32 and binding from the time when the pledge is made; the
33 revenues so pledged by the Authority shall immediately be

1 subject to the lien of such pledge without any physical
2 delivery thereof or further act and the lien of any such
3 pledge shall be valid and binding as against all parties
4 having claims of any kind in tort, contract or otherwise
5 against the Authority, irrespective of whether such parties
6 have notice thereof. Neither the bond resolution nor any
7 financing statement, continuation statement or other
8 instrument by which a pledge is created or by which the
9 Authority's interest in revenues is assigned need be filed or
10 recorded in any public records in order to perfect the lien
11 thereof as against third parties except that a copy of the
12 bond resolution shall be filed in the records of the
13 Authority and with the Secretary of State.

14 Section 840-30. It is intended that all private health
15 facilities in this State be enabled to benefit from and
16 participate in the provisions of this Act. To this end, all
17 private health facilities operating, or authorized to be
18 operated, under any statute of this State are authorized and
19 empowered to undertake projects, as defined in this Act, and
20 to utilize the financing sources and methods of repayment
21 provided by this Act, the provisions of any other laws to the
22 contrary notwithstanding. Notwithstanding the provisions of
23 any other law to the contrary, the State of Illinois and any
24 political subdivision, agency, instrumentality, district or
25 municipality thereof owning or operating any health facility
26 is hereby authorized to take all actions necessary or
27 appropriate and to execute and deliver any and all evidences
28 of indebtedness and agreements, including loan agreements,
29 leases and agreements providing for credit enhancement, as
30 may be necessary to permit such publicly owned health
31 facility to avail itself of the provisions of this Act. Any
32 evidence of indebtedness or agreement entered into by the
33 State or any political subdivision, agency, instrumentality,

1 district or municipality thereof pursuant to this Act may
2 provide for the payment of interest at such rate or rates as
3 shall be determined by the issuer thereof or obligor
4 thereunder and may be issued or entered into without
5 referendum approval; provided, that this Act shall not be
6 deemed to be independent authority for levy of any taxes to
7 pay an obligation owing from the State or any political
8 subdivision, agency, instrumentality, district or
9 municipality thereof and arising hereunder or incurred in
10 connection with a financing pursuant hereto.

11 ARTICLE 845

12 AUTHORITY DEBTS, CONTRACTS AND REPORTS

13 Section 845-5. The Authority may not have outstanding at
14 any one time bonds for any of its corporate purposes in an
15 aggregate principal amount exceeding \$23,000,000,000,
16 excluding bonds issued to refund the bonds of the Authority
17 or bonds of the Predecessor Authorities.

18 Section 845-10. The Authority may issue a single bond
19 issue pursuant to this Act for a group of industrial
20 projects, a group of corporations or a group of business
21 entities, a group of units of local government or other
22 borrowers or any combination thereof. A bond issue for
23 multiple projects as provided in this Section shall be
24 subject to all requirements for bond issues as established by
25 this Act.

26 Section 845-15. The Authority may maintain an office or
27 branch office anywhere in the State, and may utilize, without
28 the payment of rent, any office facilities which the State
29 may conveniently make available to it.

1 Section 845-20. The Authority shall not have power to
2 levy taxes for any purpose whatsoever.

3 Section 845-25. The Authority shall not incur any
4 obligations for salaries, office or other administrative
5 expenses prior to the making of appropriations to meet such
6 expenses. Interest earned from investments of any funds of
7 the Authority and repayments of principal of such investments
8 shall be available for appropriation by the Board for the
9 corporate purposes of the Authority.

10 Section 845-30. The State and all counties, cities,
11 villages, incorporated towns and other municipal
12 corporations, political subdivisions and public bodies, and
13 public officers of any thereof, all banks, bankers, trust
14 companies, savings banks and institutions, building and loan
15 associations, savings and loan associations, investment
16 companies and other persons carrying on a banking business,
17 all insurance companies, insurance associations and other
18 persons carrying on an insurance business and all executors,
19 administrators, guardians, trustees and other fiduciaries may
20 legally invest any sinking funds, moneys or other funds
21 belonging to them or within their control in any bonds or
22 evidences of indebtedness issued pursuant to this Act or
23 issued by the Predecessor Authorities, it being the purpose
24 of this Section to authorize the investment in such bonds or
25 evidences of indebtedness of all sinking, insurance,
26 retirement, compensation, pension and trust funds, whether
27 owned or controlled by private or public persons or officers;
28 provided, however, that nothing contained in this Section may
29 be construed as relieving any person from any duty of
30 exercising reasonable care in selecting securities for
31 purchase or investment.

1 Section 845-35. Under no circumstances shall any bonds or
2 other evidences of indebtedness issued by the Authority or
3 the Predecessor Authorities under this Act or under any other
4 law be or become an indebtedness or obligation of the State
5 of Illinois, within the purview of any constitutional
6 limitation or provision, and it shall be plainly stated on
7 the face of each bond or other evidence of indebtedness that
8 it does not constitute such an indebtedness or obligation but
9 is payable solely from the revenues or income of the
10 Authority.

11 Section 845-40. The Authority shall appoint a secretary
12 and treasurer, who may, but need not, be a member or members
13 of the Authority to hold office during the pleasure of the
14 Authority. Before entering upon the duties of the respective
15 offices such person or persons shall take and subscribe to
16 the constitutional oath of office, and the treasurer shall
17 execute a bond with corporate sureties to be approved by the
18 Authority. The bond shall be payable to the Authority in
19 whatever penal sum may be directed by the Authority
20 conditioned upon the faithful performance of the duties of
21 the office and the payment of all money received by him
22 according to law and the orders of the Authority. The
23 Authority may, at any time, require a new bond from the
24 treasurer in such penal sum as may then be determined by the
25 Authority. The obligation of the sureties shall not extend to
26 any loss sustained by the insolvency, failure or closing of
27 any savings and loan association or national or state bank
28 wherein the treasurer has deposited funds if the bank or
29 savings and loan association has been approved by the
30 Authority as a depository for these funds. The oaths of
31 office and the treasurer's bond shall be filed in the
32 principal office of the Authority. All funds of the
33 Authority, including without limitation, grants or loans from

1 the federal government, the State or any agency or
2 instrumentality thereof, fees, service charges, interest or
3 other investment earnings on its funds, payments of principal
4 of and interest on loans of its funds and revenue from any
5 other source, except funds the application of which is
6 otherwise specifically provided for by appropriation,
7 resolution, grant agreement, lease agreement, loan agreement,
8 indenture, mortgage or trust agreement or other agreement,
9 may be held by the Authority in its treasury and be generally
10 available for expenditure by the Authority for any of the
11 purposes authorized by this Act. In addition to investments
12 authorized by Section 2 of the Public Funds Investment Act,
13 funds of the Authority may be invested in (a) obligations
14 issued by any State, unit of local government or school
15 district which obligations are rated at the time of purchase
16 by a national rating service within the two highest rating
17 classifications without regard to any rating refinement or
18 gradation by numerical or other modifier, or (b) equity
19 securities of an investment company registered under the
20 Investment Company Act of 1940 whose sole assets, other than
21 cash and other temporary investments, are obligations which
22 are eligible investments for the Authority, provided that not
23 more than 20% of the assets of the investment company may
24 consist of unrated obligations of the type described in
25 clause (a) which the Board of Directors of the investment
26 company has determined to be of comparable quality to rated
27 obligations described in clause (a). Funds appropriated by
28 the General Assembly to the Authority shall be held in the
29 State Treasury unless this Act or the Act making the
30 appropriation specifically states that the monies are to be
31 held in or appropriated to the Authority's treasury. Such
32 funds as are authorized to be held in the Authority's
33 treasury and deposited in any bank or savings and loan
34 association and placed in the name of the Authority shall be

1 withdrawn or paid out only by check or draft upon the bank or
2 savings and loan association, signed by the treasurer and
3 countersigned by the Chairperson of the Authority. The
4 Authority may designate any of its members or any officer or
5 employee of the Authority to affix the signature of the
6 Chairperson and another to affix the signature of the
7 treasurer to any check or draft for payment of salaries or
8 wages and for payment of any other obligations of not more
9 than \$2,500. In case any officer whose signature appears upon
10 any check or draft, issued pursuant to this Act, ceases to
11 hold his office before the delivery thereof to the payee, his
12 signature nevertheless shall be valid and sufficient for all
13 purposes with the same effect as if he had remained in office
14 until delivery thereof. No bank or savings and loan
15 association shall receive public funds as permitted by this
16 Section, unless it has complied with the requirements
17 established pursuant to Section 6 of the Public Funds
18 Investment Act.

19 Section 845-45. (a) No member, officer, agent, or
20 employee of the Authority shall, in his or her own name or in
21 the name of a nominee, be an officer or director or hold an
22 ownership interest of more than 7 1/2% in any person,
23 association, trust, corporation, partnership, or other entity
24 that is, in its own name or in the name of a nominee, a party
25 to a contract or agreement upon which the member, officer,
26 agent, or employee may be called upon to act or vote.

27 (b) With respect to any direct or any indirect interest,
28 other than an interest prohibited in subsection (a), in a
29 contract or agreement upon which the member, officer, agent,
30 or employee may be called upon to act or vote, a member,
31 officer, agent, or employee of the Authority shall disclose
32 the interest to the secretary of the Authority before the
33 taking of final action by the Authority concerning the

1 contract or agreement and shall so disclose the nature and
2 extent of the interest and his or her acquisition of it, and
3 those disclosures shall be publicly acknowledged by the
4 Authority and entered upon the minutes of the Authority. If a
5 member, officer, agent, or employee of the Authority holds
6 such an interest, then he or she shall refrain from any
7 further official involvement in regard to the contract or
8 agreement, from voting on any matter pertaining to the
9 contract or agreement, and from communicating with other
10 members of the Authority or its officers, agents, and
11 employees concerning the contract or agreement.
12 Notwithstanding any other provision of law, any contract or
13 agreement entered into in conformity with this subsection (b)
14 shall not be void or invalid by reason of the interest
15 described in this subsection, nor shall any person so
16 disclosing the interest and refraining from further official
17 involvement as provided in this subsection be guilty of an
18 offense, be removed from office, or be subject to any other
19 penalty on account of that interest.

20 (c) Any contract or agreement made in violation of
21 paragraphs (a) or (b) of this Section shall be null and void
22 and give rise to no action against the Authority.

23 Section 845-50. The fiscal year for the Authority shall
24 commence on the first of July. As soon after the end of each
25 fiscal year as may be expedient, the Authority shall cause to
26 be prepared and printed a complete report and financial
27 statement of its operations and of its assets and
28 liabilities. A reasonably sufficient number of copies of such
29 report shall be printed for distribution to persons
30 interested, upon request, and a copy thereof shall be filed
31 with the Governor, the Secretary of State, the State
32 Comptroller, the Secretary of the Senate and the Chief Clerk
33 of the House of Representatives.

1 Section 845-55. For the purposes of the Illinois
2 Securities Law of 1953, bonds issued by the Authority shall
3 be deemed to be securities issued by a public instrumentality
4 of the State of Illinois.

5 Section 845-60. Tax Exemption. The tax exemptions of
6 outstanding bonds issued by the Predecessor Authorities
7 pursuant to sections of the enabling acts of the Predecessor
8 Authorities applicable to those bonds when issued shall
9 remain valid and continue to be recognized by the State until
10 final payment of those bonds, notwithstanding the repeal of
11 the enabling acts of the Predecessor Authorities.

12 Section 845-65. If any provision of this Act is held
13 invalid, such provision shall be deemed to be excised and the
14 invalidity thereof shall not affect any of the other
15 provisions of this Act. If the application of any provision
16 of this Act to any person or circumstance is held invalid, it
17 shall not affect the application of such provision to such
18 persons or circumstances other than those as to which it is
19 held invalid.

20 Section 845-70. Tax avoidance. Notwithstanding any other
21 provision of law, the Authority shall not enter into any
22 agreement providing for the purchase and lease of tangible
23 personal property that results in the avoidance of taxation
24 under the Retailers' Occupation Tax Act, the Use Tax Act, the
25 Service Use Tax Act, or the Service Occupation Tax Act,
26 without the prior written consent of the Governor.

27 Section 845-75. Transfer of functions from previously
28 existing authorities to the Illinois Finance Authority. The
29 Illinois Finance Authority created by the Illinois Finance
30 Authority Act shall succeed to, assume and exercise all

1 rights, powers, duties and responsibilities formerly
2 exercised by the following Authorities and entities (herein
3 called the "Predecessor Authorities") prior to the abolition
4 of the Predecessor Authorities by this Act:

- 5 The Illinois Development Finance Authority
- 6 The Illinois Farm Development Authority
- 7 The Illinois Health Facilities Authority
- 8 The Illinois Educational Facilities Authority
- 9 The Illinois Community Development Finance Corporation
- 10 The Illinois Rural Bond Bank
- 11 The Research Park Authority

12 All books, records, papers, documents and pending
13 business in any way pertaining to the Predecessor Authorities
14 are transferred to the Illinois Finance Authority, but any
15 rights or obligations of any person under any contract made
16 by, or under any rules, regulations, uniform standards,
17 criteria and guidelines established or approved by, such
18 Predecessor Authorities shall be unaffected thereby. All
19 bonds, notes or other evidences of indebtedness outstanding
20 on the effective date of this Act shall be unaffected by the
21 transfer of functions to the Illinois Finance Authority. No
22 rule, regulation, standard, criteria or guideline
23 promulgated, established or approved by the Predecessor
24 Authorities pursuant to an exercise of any right, power, duty
25 or responsibility assumed by and transferred to the Illinois
26 Finance Authority shall be affected by this Act, and all such
27 rules, regulations, standards, criteria and guidelines shall
28 become those of the Illinois Finance Authority until such
29 time as they are amended or repealed by the Illinois Finance
30 Authority.

31 Section 845-80. Any reference in statute, in rule, or
32 otherwise to the following entities is a reference to the
33 Illinois Finance Authority created by this Act:

- 1 The Illinois Development Finance Authority.
- 2 The Illinois Farm Development Authority.
- 3 The Illinois Health Facilities Authority.
- 4 The Illinois Research Park Authority.
- 5 The Illinois Rural Bond Bank.
- 6 The Illinois Educational Facilities Authority.
- 7 The Illinois Community Development Finance Corporation.

8 Section 845-85. Any reference in statute, in rule, or
9 otherwise to the following Acts is a reference to this Act:

- 10 The Illinois Development Finance Authority Act.
- 11 The Illinois Farm Development Act.
- 12 The Illinois Health Facilities Authority Act.
- 13 The Illinois Research Park Authority Act.
- 14 The Rural Bond Bank Act.
- 15 The Illinois Educational Facilities Authority Act.
- 16 The Illinois Community Development Finance Corporation
17 Act.

18 ARTICLE 890

19 AMENDATORY PROVISIONS

20 Section 890-1. The Statute on Statutes is amended by
21 changing Section 8 as follows:

22 (5 ILCS 70/8) (from Ch. 1, par. 1107)

23 Sec. 8. Omnibus Bond Acts.

24 (a) A citation to the Omnibus Bond Acts is a citation to
25 all of the following Acts, collectively, as amended from time
26 to time: the Bond Authorization Act, the Registered Bond
27 Act, the Municipal Bond Reform Act, the Local Government Debt
28 Reform Act, subsection (a) of Section 1-7 of the Property Tax
29 Extension Limitation Act, subsection (a) of Section 18-190 of
30 the Property Tax Code, the Uniform Facsimile Signature of

1 Public Officials Act, the Local Government Bond Validity Act,
2 the Illinois Development Finance Authority Act, the Public
3 Funds Investment Act, the Local Government Credit Enhancement
4 Act, the Local Government Defeasance of Debt Law, the
5 Intergovernmental Cooperation Act, the Local Government
6 Financial Planning and Supervision Act, the Special
7 Assessment Supplemental Bond and Procedure Act, Section 12-5
8 of the Election Code, and any similar Act granting additional
9 omnibus bond powers to governmental entities generally,
10 whether enacted before, on, or after the effective date of
11 this amendatory Act of 1989.

12 (b) The General Assembly recognizes that the
13 proliferation of governmental entities has resulted in the
14 enactment of hundreds of statutory provisions relating to the
15 borrowing and other powers of governmental entities. The
16 General Assembly addresses and has addressed problems common
17 to all such governmental entities so that they have equal
18 access to the municipal bond market. It has been, and will
19 continue to be, the intention of the General Assembly to
20 enact legislation applicable to governmental entities in an
21 omnibus fashion, as has been done in the provisions of the
22 Omnibus Bond Acts.

23 (c) It is and always has been the intention of the
24 General Assembly that the Omnibus Bond Acts are and always
25 have been supplementary grants of power, cumulative in nature
26 and in addition to any power or authority granted in any
27 other laws of the State. The Omnibus Bond Acts are
28 supplementary grants of power when applied in connection with
29 any similar grant of power or limitation contained in any
30 other law of the State, whether or not the other law is
31 enacted or amended after an Omnibus Bond Act or appears to be
32 more restrictive than an Omnibus Bond Act, unless the General
33 Assembly expressly declares in such other law that a
34 specifically named Omnibus Bond Act does not apply.

1 (d) All instruments providing for the payment of money
2 executed by or on behalf of any governmental entity organized
3 by or under the laws of this State, including without
4 limitation the State, to carry out a public governmental or
5 proprietary function, acting through its corporate
6 authorities, or which any governmental entity has assumed or
7 agreed to pay, which were:

8 (1) issued or authorized to be issued by
9 proceedings adopted by such corporate authorities before
10 the effective date of this amendatory Act of 1989;

11 (2) issued or authorized to be issued in accordance
12 with the procedures set forth in or pursuant to any
13 authorization contained in any of the Omnibus Bond Acts;
14 and

15 (3) issued or authorized to be issued for any
16 purpose authorized by the laws of this State, are valid
17 and legally binding obligations of the governmental
18 entity issuing such instruments, payable in accordance
19 with their terms.

20 (Source: P.A. 90-480, eff. 8-17-97; 91-57, eff. 6-30-99.)

21 Section 890-2. The Department of Commerce and Community
22 Affairs Law of the Civil Administrative Code of Illinois is
23 amended by changing Sections 605-675, 605-915, 605-920, and
24 605-925 as follows:

25 (20 ILCS 605/605-675) (was 20 ILCS 605/46.66)

26 Sec. 605-675. Exporter award program. The Department
27 shall establish and operate, in cooperation with the
28 Department of Agriculture and the Illinois Development
29 Finance Authority, an annual awards program to recognize
30 Illinois-based exporters. In developing criteria for the
31 awards, the Department shall give consideration to the
32 exporting efforts of small and medium sized businesses,

1 first-time exporters, and other appropriate categories.

2 (Source: P.A. 91-239, eff. 1-1-00.)

3 (20 ILCS 605/605-915) (was 20 ILCS 605/46.45)

4 Sec. 605-915. Assisting local governments to achieve
5 lower borrowing costs. To cooperate with the Illinois
6 Development Finance Authority in assisting local governments
7 to achieve overall lower borrowing costs and more favorable
8 terms under Sections--7.50--through--7.61--of the Illinois
9 Development Finance Authority Act, including using the
10 Department's federally funded Community Development
11 Assistance Program for those purposes.

12 (Source: P.A. 91-239, eff. 1-1-00.)

13 (20 ILCS 605/605-920) (was 20 ILCS 605/46.47)

14 Sec. 605-920. Assisting local governments; debt
15 management, capital facility planning, infrastructure. To
16 provide, in cooperation with the Illinois Development Finance
17 Authority, technical assistance to local governments with
18 respect to debt management and bond issuance, capital
19 facility planning, infrastructure financing, infrastructure
20 maintenance, fiscal management, and other infrastructure
21 areas.

22 (Source: P.A. 91-239, eff. 1-1-00.)

23 (20 ILCS 605/605-925) (was 20 ILCS 605/46.48)

24 Sec. 605-925. Helping local governments reduce
25 infrastructure costs. To develop and recommend to the
26 Governor and the General Assembly, in cooperation with the
27 Illinois Development Finance Authority and local governments,
28 methods and techniques that can be used to help local
29 governments reduce their public infrastructure costs,
30 including strengthened local financial management, user fees,
31 and other appropriate options.

1 (Source: P.A. 91-239, eff. 1-1-00.)

2 Section 890-3. The Illinois Enterprise Zone Act is
3 amended by changing Section 7 as follows:

4 (20 ILCS 655/7) (from Ch. 67 1/2, par. 611)

5 Sec. 7. State Incentives Regarding Public Services and
6 Physical Infrastructure.

7 (a) This Act does not restrict tax incentive financing
8 pursuant to the "Tax Increment Allocation Redevelopment Act".

9 (b) Industrial development bonds. Priority in the use
10 of industrial development bonds issued by the Illinois
11 Development Finance Authority shall be given to businesses
12 located in an Enterprise Zone.

13 (c) Deposit of State funds by the State Treasurer. The
14 State Treasurer is authorized and encouraged to place
15 deposits of State funds with financial institutions doing
16 business in an Enterprise Zone.

17 (Source: P.A. 84-1417.)

18 Section 890-4. The Energy Conservation and Coal
19 Development Act is amended by changing Section 15 as follows:

20 (20 ILCS 1105/15) (from Ch. 96 1/2, par. 7415)

21 Sec. 15. (a) The Department, in cooperation with the
22 Illinois Development Finance Authority, shall establish a
23 program to assist units of local government, as defined in
24 the Illinois Development Finance Authority Act, to identify
25 and arrange financing for energy conservation projects for
26 buildings and facilities owned or leased by those units of
27 local government.

28 (b) The Department, in cooperation with the Illinois
29 Health Facilities Authority, shall establish a program to
30 assist health facilities to identify and arrange financing

1 for energy conservation projects for buildings and facilities
2 owned or leased by those health facilities.

3 (Source: P.A. 87-852; 88-45.)

4 Section 890-5. The Department of Public Health Powers
5 and Duties Law of the Civil Administrative Code of Illinois
6 is amended by changing Section 2310-200 as follows:

7 (20 ILCS 2310/2310-200) (was 20 ILCS 2310/55.53)

8 Sec. 2310-200. Programs to expand access to primary
9 care.

10 (a) The Department shall establish a program to expand
11 access to comprehensive primary care in medically underserved
12 communities throughout Illinois. This program may include
13 the provision of financial support and technical assistance
14 to eligible community health centers. To be eligible for
15 those grants, community health centers must meet requirements
16 comparable to those enumerated in Sections 329 and 330 of the
17 federal Public Health Service Act. In establishing its
18 program, the Department shall avoid duplicating resources in
19 areas already served by community health centers.

20 (b) The Department may develop financing programs with
21 the Illinois ~~Development~~ Finance Authority to carry out the
22 purposes of the Civil Administrative Code of Illinois or any
23 other Act that the Department is responsible for
24 administering. The Department may transfer to the Illinois
25 ~~Development~~ Finance Authority, into an account outside of the
26 State treasury, any moneys it deems necessary from its
27 accounts to establish bond reserve or credit enhancement
28 escrow accounts, or loan or equipment leasing programs. The
29 disposition of moneys at the conclusion of any such financing
30 program shall be determined by an interagency agreement.

31 (Source: P.A. 91-239, eff. 1-1-00.)

1 Section 890-6. The Asbestos Abatement Finance Act is
2 amended by changing Sections 2 and 3 as follows:

3 (20 ILCS 3510/2) (from Ch. 111 1/2, par. 8102)

4 Sec. 2. Definitions. The following words and terms,
5 whether or not capitalized, have the following meanings,
6 unless the context or use clearly requires otherwise:

7 "Asbestos" means asbestos as defined and used in the
8 federal Asbestos Hazard Emergency Response Act of 1986, as
9 now or hereafter amended, including the regulations
10 promulgated under that Act.

11 "Asbestos Abatement Project" means asbestos inspection,
12 planning and response action under and within the meaning of
13 the federal Asbestos Hazard Emergency Response Act of 1986,
14 as now or hereafter amended, to abate a health hazard caused
15 directly or indirectly by the existence of asbestos in any
16 building or other facility owned, operated, maintained or
17 occupied in whole or in part by a public corporation or a
18 private institution.

19 "Authority" means the Illinois Development Finance
20 Authority.

21 "Board" means the Board of the Authority.

22 "Bond" means any bond, note or other evidence of
23 indebtedness issued by the Authority under this Act.

24 "Chairman" means the Chairman of the Authority.

25 "Cost" as applied to an asbestos abatement project means
26 the costs incurred or to be incurred by a public corporation
27 or a private institution in the removal, encapsulation,
28 enclosure, repair, or maintenance of asbestos in any building
29 or other facility owned, operated, maintained or occupied in
30 whole or in part by a public corporation or a private
31 institution, including all incidental costs such as
32 engineering, architectural, consulting and legal expenses
33 incurred in connection with an asbestos abatement project,

1 plans, specifications, surveys, estimates of costs and
2 revenues, finance charges, interest before and during
3 construction of an asbestos abatement project and, for up to
4 18 months after completion of construction, other expenses
5 necessary or incident to determining the need, feasibility or
6 practicability of an asbestos abatement project,
7 administrative expenses, and such other costs, charges and
8 expenses as may be necessary or incident to the construction
9 or financing of any asbestos abatement project. As used in
10 this Act, "cost" means not only costs of an asbestos
11 abatement project expected to be incurred in the future, but
12 costs already incurred and paid by a public corporation or a
13 private institution so that a public corporation or a private
14 institution shall be permitted to reimburse itself for those
15 costs previously incurred and paid.

16 "Person" means any individual, firm, partnership,
17 association, or corporation, separately or in any
18 combination.

19 "Private institution" means any not-for-profit
20 organization within the meaning of Section 501(c)(3) of the
21 Internal Revenue Code of 1986, as now or hereafter amended,
22 including any private or nonpublic pre-school, day care
23 center, day or residential educational institution that
24 provides elementary or secondary education for grades 12 or
25 under, any private or nonpublic college or university, or any
26 hospital, health care or long term care institution.

27 "Private institution security" means any bond, note, loan
28 agreement, or other evidence of indebtedness which a private
29 institution is legally authorized to issue or enter into for
30 the purpose of financing or refinancing the costs of an
31 asbestos abatement project.

32 "Public corporation" means any body corporate organized
33 by or under the laws of this State to carry out a public
34 governmental or proprietary function, including the State,

1 any State agency, any school district, park district, city,
2 village, incorporated town, county, township, drainage or any
3 other type of district, board, commission, authority,
4 university, public community college or any combination
5 (including any combination under Section 10 of Article VII of
6 the Illinois Constitution or under the Intergovernmental
7 Cooperation Act of 1973, as now or hereafter amended), acting
8 through their corporate authorities, and any other unit of
9 local government within the meaning of Section 1 of Article
10 VII of the Illinois Constitution.

11 "Public corporation security" means any bond, note, loan
12 agreement, or other evidence of indebtedness which a public
13 corporation is legally authorized to issue or enter into for
14 the purpose of financing or refinancing the costs of an
15 asbestos abatement project.

16 "Secretary" means the Secretary of the Authority.

17 "State" means the State of Illinois.

18 "Treasurer" means the Treasurer of the Authority.

19 (Source: P.A. 86-976.)

20 (20 ILCS 3510/3) (from Ch. 111 1/2, par. 8103)

21 Sec. 3. Powers. In addition to the powers set forth
22 elsewhere in this Act and in The Illinois Development Finance
23 Authority Act, as now or hereafter amended, the Authority
24 may:

25 (a) Adopt an official seal.

26 (b) Maintain asbestos abatement suboffices at places
27 within the State as it designates.

28 (c) Sue and be sued, plead and be impleaded, all in its
29 own name, and agree to binding arbitration of any dispute to
30 which it is a party under this Act.

31 (d) Adopt bylaws, rules, and regulations to carry out
32 the provisions and purposes of this Act.

33 (e) Employ, either as regular employees or independent

1 contractors, consultants, engineers, architects, accountants,
2 attorneys, financial experts, construction experts,
3 superintendents, managers, other professional personnel, and
4 other persons as may be necessary or appropriate in the
5 judgment of the Authority to achieve the purposes of this
6 Act, and fix their compensation.

7 (f) Determine the locations of, develop, establish,
8 construct, erect, acquire, own, repair, remodel, add to,
9 extend, improve, equip, operate, regulate, and maintain
10 facilities to the extent necessary to accomplish the purposes
11 of this Act.

12 (g) Acquire, hold, lease, use, encumber, transfer, or
13 dispose of real and personal property, including the
14 alteration or demolition of improvements to real estate,
15 necessary to accomplish the purposes of this Act.

16 (h) Enter into contracts of any kind in furtherance of
17 or which are necessary or incidental to the purposes of this
18 Act or actions of the Authority taken under this Act.

19 (i) Regulate the use and operation of asbestos abatement
20 projects developed under the provisions of this Act, except
21 that asbestos abatement projects undertaken by schools shall
22 be governed by the Asbestos Abatement Act, the Asbestos
23 Hazard Emergency Response Act and by the regulations
24 promulgated by the Department of Public Health pursuant to
25 those Acts.

26 (j) Purchase from time to time by negotiated sale, upon
27 such terms as the Authority shall determine, public
28 corporation securities issued by one or more public
29 corporations for the purpose of paying costs of asbestos
30 abatement projects or private institution securities issued
31 by one or more private institutions for the purpose of paying
32 costs of asbestos abatement projects.

33 (k) Make loans from time to time, upon such terms as the
34 Authority shall determine, to public corporations and private

1 institutions for the purpose of paying costs of asbestos
2 abatement projects.

3 (1) Issue bonds in one or more series pursuant to one or
4 more resolutions adopted by the Board for the purpose of
5 purchasing or acquiring public corporation securities or
6 private institution securities issued for the purpose of
7 paying costs of asbestos abatement projects or for the
8 purpose of making loans to public corporations or private
9 institutions for the purpose of paying costs of asbestos
10 abatement projects, providing for the payment of any interest
11 deemed necessary on such bonds, paying for the costs of
12 issuance of such bonds, providing for the payment of any
13 premium on any insurance or the cost of any guarantees,
14 letters of credit or other credit enhancement facilities, or
15 providing for the funding of any reserves deemed necessary in
16 connection with such bonds, and refunding or advance
17 refunding (one or more times) any such bonds. Such bonds may
18 bear interest at any rate or rates (whether fixed or
19 variable, and whether current or deferred), notwithstanding
20 any other provision of law to the contrary, which rate or
21 rates may be established by an index or formula which may be
22 implemented or established by persons appointed or retained
23 therefor by the Authority, may bear such date or dates, may
24 be payable at such time or times and at such place or places,
25 may mature at any time or times not later than 40 years from
26 the date of issuance, may be sold at competitive or
27 negotiated sale at such time or times and at such price or
28 prices, may be secured by such pledges, covenants, reserves,
29 guarantees, letters of credit or other credit enhancement
30 facilities, may be issued and secured by such form of trust
31 agreement between the Authority and a bank or trust company
32 having the powers of a trust company within or without the
33 State, may be executed in such manner, may be subject to
34 redemption prior to maturity, and may be subject to such

1 other terms and conditions, as are provided by the Authority
2 in the resolution authorizing the issuance of any such bonds.

3 (m) Provide for the establishment and funding of any
4 reserves or other funds or accounts deemed necessary by the
5 Authority in connection with any bonds issued by the
6 Authority under this Act, any public corporation securities
7 or private institution securities purchased or acquired by
8 the Authority, or any loan made by the Authority to a public
9 corporation or a private institution, and deposit into such
10 reserves, funds or accounts the proceeds of any bonds issued
11 by the Authority or any other funds of the Authority or any
12 funds of a public corporation or a private institution which
13 may be applied for such purpose. Such reserves, funds or
14 accounts may be held by a corporate trustee, which may be any
15 trust company or bank having the powers of a trust company
16 located within or outside the State.

17 (n) Pledge any public corporation security or private
18 institution security, including any payment thereon, and any
19 other funds of the Authority which may be applied to such
20 purpose, as security for any bonds issued by the Authority or
21 to secure any letter of credit, guarantee or other credit
22 enhancement facility.

23 (o) Enter into agreements or other transactions with any
24 federal, State or local governmental agency in connection
25 with this Act.

26 (p) Receive and accept from any federal agency, subject
27 to the approval of the Governor, grants for or in aid of the
28 construction of asbestos abatement projects or for research
29 and development with respect to asbestos abatement projects,
30 such grants to be held, used and applied only for the
31 purposes for which such grants were made.

32 (q) Charge fees to defray the cost of letters of credit,
33 guarantees or other credit enhancement facilities, trustees,
34 depositaries, paying agents, bond registrars, escrow agents,

1 tender agents and other administrative and program expenses;
2 and otherwise charge such program fees consistent with the
3 purposes of this Act as the Authority shall from time to time
4 determine. Any such fees shall be payable in such amounts and
5 at such times as the Authority shall determine, and the
6 amount of the fees need not be uniform among the various
7 series of bonds issued by the Authority or among the issuers
8 of public corporation securities or private institution
9 securities purchased or acquired or proposed to be purchased
10 or acquired by the Authority.

11 (r) Prescribe application forms, notification forms,
12 forms of contracts, loan agreements, financing agreements and
13 security agreements, and such other forms as the Authority
14 deems necessary or appropriate in connection with this Act.

15 (s) Purchase or acquire any bonds of the Authority
16 issued under this Act for cancellation, resale, or
17 reissuance.

18 (t) Subject to the provisions of any resolution,
19 indenture, or other contract with the owners of bonds, sell,
20 or otherwise transfer or dispose of public corporation
21 securities or private institution securities acquired under
22 this Act.

23 (u) Do any and all things necessary or convenient to
24 carry out the purposes of, and exercise the powers expressly
25 given and granted in, this Act, including the adoption of
26 rules under The Illinois Administrative Procedure Act, as now
27 or hereafter amended, as are necessary to carry out the
28 powers and duties conferred by this Act.

29 (Source: P.A. 86-976.)

30 Section 890-7. The Illinois Environmental Facilities
31 Financing Act is amended by changing Sections 3, 4, and 7 as
32 follows:

1 (20 ILCS 3515/3) (from Ch. 127, par. 723)

2 Sec. 3. Definitions. In this Act, unless the context
3 otherwise clearly requires, the terms used herein shall have
4 the meanings ascribed to them as follows:

5 (a) "Bonds" means any bonds, notes, debentures,
6 temporary, interim or permanent certificates of indebtedness
7 or other obligations evidencing indebtedness.

8 (b) "Directing body" means the members of the State
9 authority.

10 (c) "Environmental facility" or "facilities" means any
11 land, interest in land, building, structure, facility,
12 system, fixture, improvement, appurtenance, machinery,
13 equipment or any combination thereof, and all real and
14 personal property deemed necessary therewith, having to do
15 with or the primary purpose of which is, reducing,
16 controlling or preventing pollution, or reclaiming surface
17 mined land. Environmental facilities may be located anywhere
18 in this State and may include those facilities or processes
19 used to (i) remove potential pollutants from coal prior to
20 combustion, (ii) reduce the volume or composition of
21 hazardous waste by changing or replacing manufacturing
22 equipment or processes, (iii) recycle hazardous waste, or
23 (iv) recover resources from hazardous waste. Environmental
24 facilities may also include (i) solar collectors, solar
25 storage mechanisms and solar energy systems, as defined in
26 Section 10-5 of the Property Tax Code; (ii) facilities
27 designed to collect, store, transfer, or distribute, for
28 residential, commercial or industrial use, heat energy which
29 is a by-product of industrial or energy generation processes
30 and which would otherwise be wasted; (iii) facilities
31 designed to remove pollutants from emissions that result from
32 the combustion of coal; and (iv) facilities for the
33 combustion of coal in a fluidized bed boiler. Environmental
34 facilities include landfill gas recovery facilities, as

1 defined in the Illinois Environmental Protection Act.

2 Environmental facilities do not include any land,
3 interest in land, buildings, structure, facility, system,
4 fixture, improvement, appurtenance, machinery, equipment or
5 any combination thereof, and all real and personal property
6 deemed necessary therewith, having to do with a hazardous
7 waste disposal site, except where such land, interest in
8 land, buildings, structure, facility, system, fixture,
9 improvement, appurtenance, machinery, equipment, real or
10 personal property are used for the management or recovery of
11 gas generated by a hazardous waste disposal site or are used
12 for recycling, reclamation, tank storage or treatment in
13 tanks which occurs on the same site as a hazardous waste
14 disposal site.

15 (d) "Finance" or "financing" means the issuing of
16 revenue bonds pursuant to Section 9 of this Act by the State
17 authority for the purpose of using the proceeds to pay
18 project costs for an environmental or hazardous waste
19 treatment facility including one in or to which title at all
20 times remains in a person other than the State authority, in
21 which case the bonds of the Authority are secured by a pledge
22 of one or more notes, debentures, bonds or other obligations,
23 secured or unsecured, of any person.

24 (e) "Person" means any individual, partnership,
25 copartnership, firm, company, corporation (including public
26 utilities), association, joint stock company, trust, estate,
27 political subdivision, state agency, or any other legal
28 entity, or their legal representative, agent or assigns.

29 (f) "Pollution" means any form of environmental
30 pollution including, but not limited to, water pollution, air
31 pollution, land pollution, solid waste pollution, thermal
32 pollution, radiation contamination, or noise pollution as
33 determined by the various standards prescribed by this state
34 or the federal government and including but not limited to,

1 anything which is considered as pollution or environmental
2 damage in the Environmental Protection Act, approved June 29,
3 1970, as now or hereafter amended.

4 (g) "Project costs" as applied to environmental or
5 hazardous waste treatment facilities financed under this Act
6 means and includes the sum total of all reasonable or
7 necessary costs incidental to the acquisition, construction,
8 reconstruction, repair, alteration, improvement and extension
9 of such environmental or hazardous waste treatment facilities
10 including without limitation the cost of studies and surveys;
11 plans, specifications, architectural and engineering
12 services; legal, organization, marketing or other special
13 services; financing, acquisition, demolition, construction,
14 equipment and site development of new and rehabilitated
15 buildings; rehabilitation, reconstruction, repair or
16 remodeling of existing buildings and all other necessary and
17 incidental expenses including an initial bond and interest
18 reserve together with interest on bonds issued to finance
19 such environmental or hazardous waste treatment facilities to
20 a date 6 months subsequent to the estimated date of
21 completion.

22 (h) "State authority" or "authority" means the Illinois
23 Development Finance Authority created by the Illinois
24 Development Finance Authority Act.

25 (i) "Small business" or "small businesses" means those
26 commercial and manufacturing entities which at the time of
27 their application to the authority meet those criteria, as
28 interpreted and applied by the State authority, for
29 definition as a "small business" established for the Small
30 Business Administration and set forth as Section 121.3-10 of
31 Part 121 of Title 13 of the Code of Federal Regulations as
32 such Section is in effect on the effective date of this
33 amendatory Act of 1975.

34 (j) "New coal-fired electric utility steam generating

1 plants" and "new coal-fired industrial boilers" means those
2 plants and boilers on which construction begins after the
3 effective date of this amendatory Act of 1981.

4 (k) "Hazardous waste treatment facility" means any land,
5 interest in land, building, structure, facility, system,
6 fixture, improvement, appurtenance, machinery, equipment, or
7 any combination thereof, and all real and personal property
8 deemed necessary therewith, the primary purpose of which is
9 to recycle, incinerate, or physically, chemically,
10 biologically or otherwise treat hazardous wastes, or to
11 reduce the production of hazardous wastes by changing or
12 replacing manufacturing equipment or processes, and which
13 meets the requirements of the Environmental Protection Act
14 and all regulations adopted thereunder.

15 (Source: P.A. 88-670, eff. 12-2-94.)

16 (20 ILCS 3515/4) (from Ch. 127, par. 724)

17 Sec. 4. Transfer of functions from the Illinois
18 Development Finance Environmental--Facilities--Financing
19 Authority to the Illinois Development Finance Authority. The
20 Illinois Development Finance Authority created by the
21 Illinois Development Finance Authority Act shall succeed to,
22 assume and exercise all rights, powers, duties and
23 responsibilities formerly exercised by the Illinois
24 Development Finance Environmental--Facilities--Financing
25 Authority prior to the abolition of that Authority by this
26 amendatory Act of the 93rd General Assembly 1983. All books,
27 records, papers, documents and pending business in any way
28 pertaining to the former Illinois Development Finance
29 Environmental--Facilities--Financing Authority are transferred
30 to the Illinois Development Finance Authority, but any rights
31 or obligations of any person under any contract made by, or
32 under any rules, regulations, uniform standards, criteria and
33 guidelines established or approved by such former Illinois

1 Environmental Facilities Financing Authority shall be
2 unaffected thereby. All bonds, notes or other evidences of
3 indebtedness outstanding on the effective date of this
4 amendatory Act of the 93rd General Assembly 1983 shall be
5 unaffected by the transfer of functions to the Illinois
6 Development Finance Authority. No rule, regulation,
7 standard, criteria or guideline promulgated, established or
8 approved by the former Illinois Development Finance
9 ~~Environmental--Facilities--Financing~~ Authority pursuant to an
10 exercise of any right, power, duty or responsibility assumed
11 by and transferred to the Illinois Development Finance
12 Authority shall be affected by this amendatory Act of the
13 93rd General Assembly 1983, and all such rules, regulations,
14 standards, criteria and guidelines shall become those of the
15 Illinois Development Finance Authority until such time as
16 they are amended or repealed by the Authority. Any action,
17 including without limitation, approvals of applications for
18 bonds and resolutions constituting official action under the
19 Internal Revenue Code, by the Illinois Environmental
20 Facilities Financing Authority prior to the September 23,
21 1983 effective date of Public Act 83-669 shall remain
22 effective to the same extent as if such action had been taken
23 by the Authority and shall be deemed to be action taken by
24 the Authority. The State authority is constituted a public
25 instrumentality and the exercise by the State authority of
26 the powers conferred by this Act shall be deemed and held to
27 be the performance of an essential public function. ~~Sections~~
28 ~~7.42--through--7.48--of~~ The Illinois Development Finance
29 Authority Act shall not apply to the provision of financing
30 for environmental facilities by the Authority, unless such
31 financing is provided pursuant to ~~such Sections of~~ such Act.
32 (Source: P.A. 83-1362.)

1 Sec. 7. Powers. In addition to the powers otherwise
2 authorized by law, for the purposes of this Act, the State
3 authority shall have the following powers together with all
4 powers incidental thereto or necessary for the performance
5 thereof:

6 (1) to have perpetual succession as a body politic and
7 corporate;

8 (2) to adopt bylaws for the regulation of its affairs
9 and the conduct of its business;

10 (3) to sue and be sued and to prosecute and defend
11 actions in the courts;

12 (4) to have and to use a corporate seal and to alter the
13 same at pleasure;

14 (5) to maintain an office at such place or places as it
15 may designate;

16 (6) to determine the location, pursuant to the
17 Environmental Protection Act, and the manner of construction
18 of any environmental or hazardous waste treatment facility to
19 be financed under this Act and to acquire, construct,
20 reconstruct, repair, alter, improve, extend, own, finance,
21 lease, sell and otherwise dispose of the facility, to enter
22 into contracts for any and all of such purposes, to designate
23 a person as its agent to determine the location and manner of
24 construction of an environmental or hazardous waste treatment
25 facility undertaken by such person under the provisions of
26 this Act and as agent of the authority to acquire, construct,
27 reconstruct, repair, alter, improve, extend, own, lease, sell
28 and otherwise dispose of the facility, and to enter into
29 contracts for any and all of such purposes;

30 (7) to finance and to lease or sell to a person any or
31 all of the environmental or hazardous waste treatment
32 facilities upon such terms and conditions as the directing
33 body considers proper, and to charge and collect rent or
34 other payments therefor and to terminate any such lease or

1 sales agreement or financing agreement upon the failure of
2 the lessee, purchaser or debtor to comply with any of the
3 obligations thereof; and to include in any such lease or
4 other agreement, if desired, provisions that the lessee,
5 purchaser or debtor thereunder shall have options to renew
6 the term of the lease, sales or other agreement for such
7 period or periods and at such rent or other consideration as
8 shall be determined by the directing body or to purchase any
9 or all of the environmental or hazardous waste treatment
10 facilities for a nominal amount or otherwise or that at or
11 prior to the payment of all of the indebtedness incurred by
12 the authority for the financing of such environmental or
13 hazardous waste treatment facilities the authority may convey
14 any or all of the environmental or hazardous waste treatment
15 facilities to the lessee or purchaser thereof with or without
16 consideration;

17 (8) to issue bonds for any of its corporate purposes,
18 including a bond issuance for the purpose of financing a
19 group of projects involving environmental facilities, and to
20 refund those bonds, all as provided for in this Act and
21 subject to Section 13 of this Act;

22 (9) generally to fix and revise from time to time and
23 charge and collect rates, rents, fees and charges for the use
24 of and services furnished or to be furnished by any
25 environmental or hazardous waste treatment facility or any
26 portion thereof and to contract with any person, firm or
27 corporation or other body public or private in respect
28 thereof;

29 (10) to employ consulting engineers, architects,
30 attorneys, accountants, construction and financial experts,
31 superintendents, managers and such other employees and agents
32 as may be necessary in its judgment and to fix their
33 compensation;

34 (11) to receive and accept from any public agency loans

1 or grants for or in aid of the construction of any
2 environmental facility and any portion thereof, or for
3 equipping the facility, and to receive and accept grants,
4 gifts or other contributions from any source;

5 (12) to refund outstanding obligations incurred by any
6 person to finance the cost of an environmental or hazardous
7 waste treatment facility including obligations incurred for
8 environmental or hazardous waste treatment facilities
9 undertaken and completed prior to or after the enactment of
10 this Act when the authority finds that such financing is in
11 the public interest;

12 (13) to prohibit the financing of environmental
13 facilities for new coal-fired electric steam generating
14 plants and new coal-fired industrial boilers which do not use
15 Illinois coal as the primary source of fuel;

16 (14) to set and impose appropriate financial penalties
17 on any person who receives financing from the State authority
18 based on a commitment to use Illinois coal as the primary
19 source of fuel at a new coal-fired electric utility steam
20 generating plant or new coal-fired industrial boiler and
21 later uses non-Illinois coal as the primary source of fuel;

22 (15) to fix, determine, charge and collect any premiums,
23 fees, charges, costs and expenses, including, without
24 limitation, any application fees, program fees, commitment
25 fees, financing charges or publication fees in connection
26 with its activities under this Act; all expenses of the State
27 authority incurred in carrying out this Act are payable
28 solely from funds provided under the authority of this Act
29 and no liability shall be incurred by any authority beyond
30 the extent to which moneys are provided under this Act. All
31 fees and moneys accumulated by the Authority as provided in
32 this Act or the Illinois Development Finance Authority Act
33 shall be held outside of the State treasury and in the
34 custody of the Treasurer of the Authority; and

1 (16) to do all things necessary and convenient to carry
2 out the purposes of this Act.

3 The State authority may not operate any environmental or
4 hazardous waste treatment facility as a business except for
5 the purpose of protecting or maintaining such facility as
6 security for bonds of the State authority. No environmental
7 or hazardous waste treatment facilities completed prior to
8 January 1, 1970 may be financed by the State authority under
9 this Act, but additions and improvements to such
10 environmental or hazardous waste treatment facilities which
11 are commenced subsequent to January 1, 1970 may be financed
12 by the State authority. Any lease, sales agreement or other
13 financing agreement in connection with an environmental or
14 hazardous waste treatment facility entered into pursuant to
15 this Act must be for a term not shorter than the longest
16 maturity of any bonds issued to finance such environmental or
17 hazardous waste treatment facility or a portion thereof and
18 must provide for rentals or other payments adequate to pay
19 the principal of and interest and premiums, if any, on such
20 bonds as the same fall due and to create and maintain such
21 reserves and accounts for depreciation, if any, as the
22 directing body determines to be necessary.

23 The Authority shall give priority to providing financing
24 for the establishment of hazardous waste treatment facilities
25 necessary to achieve the goals of Section 22.6 of the
26 Environmental Protection Act.

27 The Authority shall give special consideration to small
28 businesses in authorizing the issuance of bonds for the
29 financing of environmental facilities pursuant to subsection
30 (c) of Section 2.

31 The Authority shall make a financial report on all
32 projects financed under this Section to the General Assembly,
33 to the Governor, and to the Illinois Economic and Fiscal
34 Commission by April 1 of each year. Such report shall be a

1 public record and open for inspection at the offices of the
2 Authority during normal business hours. The report shall
3 include: (a) all applications for loans and other financial
4 assistance presented to the members of the Authority during
5 such fiscal year, (b) all projects and owners thereof which
6 have received any form of financial assistance from the
7 Authority during such year, (c) the nature and amount of all
8 such assistance, and (d) projected activities of the
9 Authority for the next fiscal year, including projection of
10 the total amount of loans and other financial assistance
11 anticipated and the amount of revenue bonds or other
12 evidences of indebtedness that will be necessary to provide
13 the projected level of assistance during the next fiscal
14 year.

15 The requirement for reporting to the General Assembly
16 shall be satisfied by filing copies of the report with the
17 Speaker, the Minority Leader and the Clerk of the House of
18 Representatives and the President, the Minority Leader and
19 the Secretary of the Senate and the Legislative Research
20 Unit, as required by Section 3.1 of "An Act to revise the law
21 in relation to the General Assembly", approved February 25,
22 1874, as amended, and filing such additional copies with the
23 State Government Report Distribution Center for the General
24 Assembly as is required under paragraph (t) of Section 7 of
25 the State Library Act.

26 (Source: P.A. 88-519.)

27 Section 890-8. The Bond Authorization Act is amended by
28 changing Section 2 as follows:

29 (30 ILCS 305/2) (from Ch. 17, par. 6602)

30 Sec. 2. Notwithstanding the provisions of any other law
31 to the contrary, any public corporation may agree or contract
32 to pay interest on bonds or other evidences of indebtedness

1 and tax anticipation warrants issued pursuant to law at an
2 interest rate or rates not exceeding the greater of 9% per
3 annum or 125% of the rate for the most recent date shown in
4 the 20 G.O. Bonds Index of average municipal bond yields as
5 published in the most recent edition of The Bond Buyer,
6 published in New York, New York (or any successor publication
7 or index, or if such publication or index is no longer
8 published, then any index of long term municipal tax-exempt
9 bond yields then selected by a governing body), at the time
10 the contract is made for the sale of the bonds or other
11 evidences of indebtedness or tax anticipation warrants. A
12 contract is made with respect to notes or bonds when the
13 public corporation is contractually obligated to issue notes,
14 bonds, or other evidences of indebtedness or tax anticipation
15 warrants to a purchaser who is contractually obligated to
16 purchase them; and, with respect to bonds or notes bearing
17 interest at a variable rate or subject to payment upon
18 periodic demand or put or otherwise subject to remarketing by
19 or for the public corporation, a contract is made on each
20 date of change in the variable rate or such demand, put or
21 remarketing. When bonds or other evidences of indebtedness
22 or tax anticipation warrants are to be issued by a public
23 corporation on a basis which is not tax-exempt under Section
24 103 of the Internal Revenue Code of 1986, as now or hereafter
25 amended, or successor code or provision, then the interest
26 rate or rates payable thereon shall be determined by
27 substituting 13 1/2% for 9% and 200% for 125% in the first
28 sentence of this Section.

29 These amendatory Acts of 1971, 1972, 1973, 1975, 1979,
30 1982, 1983, 1987 and 1988 are not limits upon any home rule
31 unit.

32 This Act is not a limit with respect to any bonds, notes
33 and other evidences of obligation for borrowed money issued
34 by any public corporation and purchased or otherwise acquired

1 by the Illinois Development Finance Authority, pursuant to
2 Sections--7.50--through--7.61--of the Illinois Development
3 Finance Authority Act, and such bonds, notes and other
4 evidences of obligation for borrowed money may bear interest
5 at any rate or rates, and such rate or rates may be
6 established by an index or formula which may be implemented
7 or established by persons appointed or retained therefor,
8 notwithstanding any other provision of law to the contrary.
9 (Source: P.A. 85-1440.)

10 Section 890-9. The Human Services Provider Bond Reserve
11 Payment Act is amended by changing Section 10 as follows:

12 (30 ILCS 435/10)

13 Sec. 10. Definitions. For the purposes of this Act:

14 (a) "Service provider" means any nongovernmental entity,
15 either for-profit or not-for-profit, that enters into a
16 contract with a State agency under which the entity is paid
17 or reimbursed by the State for providing human services to
18 persons in Illinois.

19 (b) "State agency" means the Department of Public Aid,
20 the Department of Public Health, the Department of Children
21 and Family Services, the Department of Human Services, and
22 any other department or agency of State government that
23 enters into contracts with service providers under which the
24 provider is paid or reimbursed by the State for providing
25 human services to persons in Illinois.

26 (c) "Covered bond issue" means revenue bonds (i) that
27 are issued by any agency of State or local government within
28 this State, including without limitation bonds issued by the
29 Illinois Development Finance Authority, (ii) that are to be
30 directly or indirectly paid, in whole or in part, from
31 payments due to a service provider under a human services
32 contract with a State agency, and (iii) for which a debt

1 service reserve or other reserve fund has been established,
2 under the control of a named trustee, that the service
3 provider is required to replenish in the event that moneys
4 from the reserve fund are used to make payments of principal
5 or interest on the bonds.

6 (Source: P.A. 88-117; 89-507, eff. 7-1-97.)

7 Section 890-10. The Build Illinois Act is amended by
8 changing Sections 1-3 and 8-3 as follows:

9 (30 ILCS 750/1-3) (from Ch. 127, par. 2701-3)

10 Sec. 1-3. The following agencies, boards and entities of
11 State government may expend appropriations for the purposes
12 contained in this Act: Department of Natural Resources;
13 Department of Agriculture; Illinois Development Finance
14 Authority; Capital Development Board; Department of
15 Transportation; Department of Central Management Services;
16 Illinois Arts Council; Environmental Protection Agency;
17 Historic Preservation Agency; State Board of Higher
18 Education; the Metropolitan Pier and Exposition Authority;
19 State Board of Education; Illinois Community College Board;
20 Board of Trustees of the University of Illinois; Board of
21 Trustees of Chicago State University; Board of Trustees of
22 Eastern Illinois University; Board of Trustees of Governors
23 State University; Board of Trustees of Illinois State
24 University; Board of Trustees of Northeastern Illinois
25 University; Board of Trustees of Northern Illinois
26 University; Board of Trustees of Western Illinois University;
27 and Board of Trustees of Southern Illinois University.

28 (Source: P.A. 89-4, eff. 1-1-96; 89-445, eff. 2-7-96.)

29 (30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

30 Sec. 8-3. Powers of the Department. The Department has
31 the power to:

1 (a) provide business development public infrastructure
2 loans or grants from appropriations from the Build Illinois
3 Bond Fund, the Build Illinois Purposes Fund, the Fund for
4 Illinois' Future, and the Public Infrastructure Construction
5 Loan Fund to local governments to provide or improve a
6 community's public infrastructure so as to create or retain
7 private sector jobs pursuant to the provisions of this
8 Article;

9 (b) provide affordable financing of public
10 infrastructure loans and grants to, or on behalf of, local
11 governments, local public entities, medical facilities, and
12 public health clinics from appropriations from the Public
13 Infrastructure Construction Loan Fund for the purpose of
14 assisting with the financing, or application and access to
15 financing, of a community's public infrastructure necessary
16 to health, safety, and economic development;

17 (c) enter into agreements, accept funds or grants, and
18 engage in cooperation with agencies of the federal
19 government, or state or local governments to carry out the
20 purposes of this Article, and to use funds appropriated
21 pursuant to this Article to participate in federal
22 infrastructure loan and grant programs upon such terms and
23 conditions as may be established by the federal government;

24 (d) establish application, notification, contract, and
25 other procedures, rules, or regulations deemed necessary and
26 appropriate to carry out the provisions of this Article;

27 (e) coordinate assistance under this program with
28 activities of the Illinois Development Finance Authority in
29 order to maximize the effectiveness and efficiency of State
30 development programs;

31 (f) coordinate assistance under the Affordable Financing
32 of Public Infrastructure Loan and Grant Program with the
33 activities of the Illinois Development Finance Authority,
34 Illinois Rural Bond Bank, Illinois Farm Development

1 Authority, Illinois Housing Development Authority, Illinois
2 Environmental Protection Agency, and other federal and State
3 programs and entities providing financing assistance to
4 communities for public health, safety, and economic
5 development infrastructure;

6 (f-5) provide staff, administration, and related support
7 required to manage the programs authorized under this Article
8 and pay for the staffing, administration, and related support
9 from the Public Infrastructure Construction Loan Revolving
10 Fund;

11 (g) exercise such other powers as are necessary or
12 incidental to the foregoing.

13 (Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

14 Section 890-11. The Illinois Pension Code is amended by
15 changing Sections 14-103.04 and 14-104.11 as follows:

16 (40 ILCS 5/14-103.04) (from Ch. 108 1/2, par. 14-103.04)
17 Sec. 14-103.04. Department. "Department": Any
18 department, institution, board, commission, officer, court,
19 or any agency of the State having power to certify payrolls
20 to the State Comptroller authorizing payments of salary or
21 wages against State appropriations, or against trust funds
22 held by the State Treasurer, except those departments
23 included under the term "employer" in the State Universities
24 Retirement System. "Department" includes the Illinois
25 Development Finance Authority. "Department" also includes
26 the Illinois Comprehensive Health Insurance Board and the
27 Illinois Rural Bond Bank.

28 (Source: P.A. 90-511, eff. 8-22-97.)

29 (40 ILCS 5/14-104.11)

30 Sec. 14-104.11. Illinois Development Finance Authority.
31 An employee may establish creditable service for periods

1 prior to the date upon which the Illinois Development Finance
2 Authority first becomes a department (as defined in Section
3 14-103.04) during which he or she was employed by the
4 Illinois Development Finance Authority or the Illinois
5 Industrial Development Authority, by applying in writing and
6 paying to the System an amount equal to (i) employee
7 contributions for the period for which credit is being
8 established, based upon the employee's compensation and the
9 applicable contribution rate in effect on the date he or she
10 last became a member of the System, plus (ii) the employer's
11 normal cost of the credit established, plus (iii) interest on
12 the amounts in items (i) and (ii) at the rate of 2.5% per
13 year, compounded annually, from the date the applicant last
14 became a member of the System to the date of payment. This
15 payment must be paid in full before retirement, either in a
16 lump sum or in installment payments in accordance with the
17 rules of the Board.

18 (Source: P.A. 90-511, eff. 8-22-97; 90-655, eff. 7-30-98.)

19 Section 890-12. The Local Government Financial Planning
20 and Supervision Act is amended by changing Sections 4, 5, and
21 10 as follows:

22 (50 ILCS 320/4) (from Ch. 85, par. 7204)

23 Sec. 4. Petition.

24 (a) This subsection (a) applies through December 31,
25 1992. Any unit of local government upon a 2/3 vote of the
26 members of its governing body may petition the Governor for
27 the establishment of a financial planning and supervision
28 commission if the governing body of the unit of local
29 government determines that a fiscal emergency, as defined in
30 Section 3, exists or will exist within 60 days. A copy of the
31 petition shall be filed with the Illinois Development Finance
32 Authority requesting the assistance of the Authority in

1 conducting an analysis of the financial condition of the unit
2 of local government. A petition shall include the conditions
3 of fiscal emergency, a list of all amounts and types of
4 indebtedness or claims known to the unit of local government,
5 and which creditors are subject to the stay provisions of
6 Section 7 of this Act.

7 (b) This subsection (b) applies on and after January 1,
8 1993. Any unit of local government upon a 2/3 vote of the
9 members of its governing body may petition the Governor for
10 the establishment of a financial planning and supervision
11 commission if the governing body of the unit of local
12 government determines that a fiscal emergency, as defined in
13 Section 3, exists or will exist within 60 days. A petition
14 shall include the conditions of fiscal emergency and a list
15 of all creditors of the unit of local government, which list
16 shall indicate the names, addresses, amounts and types of
17 indebtedness or claims of such creditors, and which of such
18 creditors are subject to the stay provisions of Section 7 of
19 this Act.

20 (Source: P.A. 86-1211; 87-853.)

21 (50 ILCS 320/5) (from Ch. 85, par. 7205)

22 Sec. 5. Establishment of commission.

23 (a) This subsection (a) applies through December 31,
24 1992.

25 (1) Upon receipt of a petition for establishment of a
26 financial planning and supervision commission, the Governor
27 may direct the establishment of such a commission if the
28 Governor determines that a fiscal emergency exists.

29 (2) Prior to making such determination, the Governor
30 shall give reasonable notice and opportunity for a hearing to
31 all creditors of the petitioning unit of local government
32 who are subject to the stay provisions of Section 7 of this
33 Act. The determination shall be entered not less than 60 days

1 after the filing of the petition. A determination of fiscal
2 emergency by the Governor shall be a final administrative
3 decision subject to the provisions of the Administrative
4 Review Law. The court on such review may grant exceptions to
5 the stay provisions of Section 7 of this Act as adequate
6 protection of creditors' interests or equity may require.
7 The commission shall convene within 30 days of the entry by
8 the Governor of his or her determination of the fiscal
9 emergency.

10 (3)(A) The Commission shall consist of 7 Directors.

11 (B) One Director shall be appointed by the chief
12 executive officer of the unit of local government.

13 (C) One Director shall be appointed by the majority
14 vote of the governing body of the unit of local
15 government.

16 (D) Five Directors shall be appointed by the
17 Governor, with the advice and consent of the Senate. The
18 Governor shall select one of the Directors to serve as
19 Chairperson during the term of his or her appointment.
20 Of the initial Directors so appointed, 3 shall be
21 appointed to serve for terms expiring 3 years from the
22 date of their appointment, and 2 shall be appointed to
23 serve for terms expiring 2 years from the date of their
24 appointment. Thereafter, each Director appointed by the
25 Governor shall be appointed to hold office for a term of
26 3 years and until his or her successor has been appointed
27 as provided in Section 8-12-7 of the Illinois Municipal
28 Code. Directors shall be eligible for reappointment.
29 Any vacancy which shall arise shall be filled by
30 appointment by the Governor, with the advice and consent
31 of the Senate, for the unexpired term and until a
32 successor Director has been appointed as provided in
33 Section 8-12-7 of the Illinois Municipal Code. A vacancy
34 shall occur upon resignation, death, conviction of a

1 felony, or removal from office of a Director. A Director
2 may be removed for incompetency, malfeasance, or neglect
3 of duty at the instance of the Governor. If the Senate
4 is not in session or is in recess when appointments
5 subject to its confirmation are made, the Governor shall
6 make temporary appointments which shall be subject to
7 subsequent Senate approval.

8 (b) This subsection (b) applies on and after January 1,
9 1993.

10 (1) Upon receipt of a petition for establishment of a
11 financial planning and supervision commission, the Governor
12 may direct the establishment of such a commission if the
13 Governor determines that a fiscal emergency exists.

14 (2) Prior to making such determination, the Governor
15 shall give reasonable notice and opportunity for a hearing to
16 all creditors of the petitioning unit of local government.
17 The determination shall be entered not less than 60 days
18 after the filing of the petition. A determination of fiscal
19 emergency by the Governor shall be a final administrative
20 decision subject to the provisions of the Administrative
21 Review Law. The court on such review may grant exceptions to
22 the stay provisions of Section 7 of this Act as adequate
23 protection of creditors' interests or equity may require.
24 The commission shall convene within 30 days of the entry by
25 the Governor of his or her determination of the fiscal
26 emergency.

27 (3) A commission shall consist of 11 members:

28 (A) Eight members as follows: the Governor, the
29 State Comptroller, the Director of Revenue, the Director
30 of the Bureau of the Budget, the State Treasurer, the
31 Executive Director of the Illinois Development Finance
32 Authority, the Director of the Department of Commerce and
33 Community Affairs and the presiding officer of the
34 governing body of the unit of local government, or their

1 respective designees. A designee, when present, shall be
2 counted in determining whether a quorum is present at any
3 meeting of the commission and may vote and participate in
4 all proceedings and actions of the commission. The
5 designations shall be in writing, executed by the member
6 making the designation, and filed with the secretary of
7 the commission. The designations may be changed from
8 time to time in like manner, but due regard shall be
9 given to the need for continuity. The Governor shall
10 appoint a chairman of the commission from among the 8
11 members described in this subparagraph (A).

12 (B) Three members nominated and appointed as
13 follows: the governing body and chief governing officer
14 of the unit of local government shall submit in writing
15 to the chairman of the commission the nomination of 5
16 persons agreed to by them and meeting the qualifications
17 set forth in this Act. Nominations shall accompany the
18 petition for establishment of the financial planning and
19 supervision commission. If the chairman is not satisfied
20 that at least 3 of the nominees are well qualified, he
21 shall notify the governing body of the unit of local
22 government to submit in writing, within 5 days,
23 additional nominees, not exceeding 3. The chairman shall
24 appoint 3 members from all the nominees so submitted or a
25 lesser number that he considers well qualified. Each of
26 the 3 appointed members shall serve for a term of one
27 year, subject to removal by the chairman for misfeasance,
28 nonfeasance or malfeasance in office. Upon the
29 expiration of the term of an appointed member, or in the
30 event of the death, resignation, incapacity or removal,
31 or other ineligibility to serve of an appointed member,
32 the chairman shall appoint a successor pursuant to the
33 process of original appointment.

34 Each of the 3 appointed members shall be an

1 individual:

2 (i) Who has knowledge and experience in
3 financial matters, financial management, or business
4 organization or operations, including experience in
5 the private sector in management of business or
6 financial enterprise, or in management consulting,
7 public accounting, or other professional activity;
8 and

9 (ii) Who has not at any time during the 2 years
10 preceding the date of appointment held any elected
11 public office.

12 The governing body and chief governing officer of
13 the unit of local government, to the extent possible,
14 shall nominate members whose residency, office, or
15 principal place of professional or business activity is
16 situated within the unit of local government.

17 An appointed member of the commission shall not
18 become a candidate for elected public office while
19 serving as a member of the commission.

20 (4) Immediately after his appointment of the initial 3
21 appointed members of the commission, the chairman shall call
22 the first meeting of the commission and shall cause written
23 notice of the time, date and place of the first meeting to be
24 given to each member of the commission at least 48 hours in
25 advance of the meeting.

26 (5) The commission members shall select one of their
27 number to serve as treasurer of the commission.

28 (Source: P.A. 86-1211; 87-853.)

29 (50 ILCS 320/10) (from Ch. 85, par. 7210)

30 Sec. 10. State aid.

31 (a) This subsection (a) applies through December 31,
32 1992.

33 (1) During the period of time that a unit of local

1 government is covered by this Act, the State shall not be
2 required to distribute to the unit of local government
3 any monies to which the unit of local government might
4 otherwise be entitled except in accordance with the
5 direction of the commission.

6 (2) Any State assistance in the form of a loan or
7 grant from appropriated funds shall be subject to the
8 expenditure control of the commission.

9 (3) The commission may request the Illinois
10 Development Finance Authority to issue bonds, notes, or
11 other evidences of indebtedness, the proceeds of which
12 are to be used to make loans to the unit of local
13 government for purposes of enabling that unit of local
14 government to restructure its current indebtedness and to
15 provide and pay for its essential municipal services.
16 Such request may not precede the adoption of the
17 financial plan required by Section 8 of this Act and
18 shall be in accordance with the provisions of Section
19 7-88-0f the Illinois Development Finance Authority Act.

20 (b) This subsection (b) applies on and after January 1,
21 1993. During the period of time that a unit of local
22 government is covered by this Act, the State shall not be
23 required to distribute to the unit of local government any
24 monies to which the unit of local government might otherwise
25 be entitled.

26 (Source: P.A. 86-1211; 87-853.)

27 Section 890-13. The Counties Code is amended by changing
28 Section 5-1050 as follows:

29 (55 ILCS 5/5-1050) (from Ch. 34, par. 5-1050)

30 Sec. 5-1050. Acquisition and improvement of land for
31 industrial or commercial purposes. For the public purposes
32 set forth in the Illinois Development Finance Authority Act,

1 a county board may (1) acquire, singly or jointly with other
2 counties or municipalities, by gift, purchase or otherwise,
3 but not by condemnation, land, or any interest in land,
4 whether located within or without its county limits, and,
5 singly or jointly, to improve or to arrange for the
6 improvement of such land for industrial or commercial
7 purposes and to donate and convey such land, or interest in
8 land, so acquired and so improved to the Illinois Development
9 Finance Authority; and (2) donate county funds to such
10 Authority.

11 (Source: P.A. 86-962.)

12 Section 890-14. The Township Code is amended by changing
13 Section 85-10 as follows:

14 (60 ILCS 1/85-10)

15 Sec. 85-10. Township corporate powers.

16 (a) Every township has the corporate capacity to
17 exercise the powers granted to it, or necessarily implied,
18 and no others. Every township has the powers specified in
19 this Section.

20 (b) A township may sue and be sued.

21 (c) A township may acquire (by purchase, gift, or
22 legacy) and hold property, both real and personal, for the
23 use of its inhabitants and may sell and convey that property.
24 A township may purchase any real estate or personal property
25 for public purposes under contracts providing for payment in
26 installments over a period of time of not more than 20 years
27 in the case of real estate and not more than 10 years in the
28 case of personal property. A township may finance the
29 purchase of any real estate or personal property for public
30 purpose under finance contracts providing for payment in
31 installments over a period of time of not more than 20 years
32 in the case of real estate and not more than 10 years in the

1 case of personal property. A township may construct a
2 township hall under contracts providing for payment over a
3 period of time of not more than 5 years. The interest on the
4 unpaid balance shall not exceed that permitted in the Bond
5 Authorization Act.

6 (d) A township may make all contracts necessary in the
7 exercise of the township's powers.

8 (e) A township may expend or contract for the
9 expenditure of any federal funds made available to the
10 township by law for any purpose for which taxes imposed upon
11 township property or property within the township may be
12 expended.

13 (f) A township may acquire (singly or jointly with a
14 municipality or municipalities) land or any interest in land
15 located within its township limits. The township may acquire
16 the land or interest by gift, purchase, or otherwise, but not
17 by condemnation. A township may (singly or jointly) improve
18 or arrange for the improvement of the land for industrial or
19 commercial purposes and may donate and convey the land or
20 interest in land so acquired and so improved to the Illinois
21 Development Finance Authority.

22 (g) (Blank)

23 (h) It is the policy of this State that all powers
24 granted either expressly or by necessary implication by this
25 Code, any other Illinois statute, or the Illinois
26 Constitution to townships may be exercised by those townships
27 notwithstanding effects on competition. It is the intention
28 of the General Assembly that the "State action exemption" to
29 the application of federal antitrust statutes be fully
30 available to townships to the extent their activities are
31 authorized by law as stated in this Code.

32 (i) A township may receive funds under the federal
33 Housing and Community Development Act of 1974 and may expend
34 or contract for the expenditure of those funds and other

1 township funds for the activities specified in Section 105 of
2 that Act. The powers granted under this subsection (i) are
3 in addition to powers otherwise possessed by a township and
4 shall not be construed as a limitation of those other powers.

5 (j) A township may establish reasonable fees for
6 recreation and instructional programs sponsored by the
7 township.

8 (Source: P.A. 88-62; incorporates 88-356 and 88-360; 88-670,
9 eff. 12-2-94; 89-331, eff. 8-17-95.)

10 Section 890-15. The Illinois Municipal Code is amended
11 by changing Sections 8-12-2, 8-12-3, 8-12-6, 8-12-19,
12 8-12-21, 8-12-22, 11-74.1-1, 11-113.1-1, 11-119-2, 11-129-3,
13 11-139-7, and 11-141-5 as follows:

14 (65 ILCS 5/8-12-2) (from Ch. 24, par. 8-12-2)

15 Sec. 8-12-2. (a) Pursuant to the authority of the General
16 Assembly to provide for the public health, safety and
17 welfare, the General Assembly hereby finds and declares that
18 it is the public policy and a public purpose of the State to
19 offer assistance to a financially distressed city so that it
20 may provide for the health, safety and welfare of its
21 citizens, pay when due principal and interest on its debt
22 obligations, meet financial obligations to its employees,
23 vendors and suppliers, and provide for proper financial
24 accounting procedures, budgeting and taxing practices, as
25 well as strengthen the human and economic development of the
26 city.

27 (b) It is the purpose of this Division to provide a
28 secure financial basis for the continued operation of a
29 financially distressed city. The intention of the General
30 Assembly, in enacting this legislation is to establish sound,
31 efficient and generally accepted accounting, budgeting and
32 taxing procedures and practices within a financially

1 distressed city, to provide powers to a financial advisory
2 authority established for a financially distressed city, and
3 to impose restrictions upon a financially distressed city in
4 order to assist that city in assuring its financial integrity
5 while leaving municipal services policies to the city,
6 consistent with the requirements for satisfying the public
7 policy and purposes herein set forth.

8 (c) It also is the purpose of this Division to authorize
9 a city which has been certified and designated as a
10 financially distressed city under the procedure set forth in
11 Section 8-12-4, and which has by ordinance requested that a
12 financial advisory authority be appointed for the city and
13 that the city receive assistance as provided in this
14 Division, and which has filed certified copies of that
15 ordinance in the manner provided by Section 8-12-4, to enter
16 into such agreements as are necessary to receive assistance
17 as provided in this Division and in applicable provisions of
18 the Illinois Development Finance Authority Act.

19 (Source: P.A. 86-1211.)

20 (65 ILCS 5/8-12-3) (from Ch. 24, par. 8-12-3)

21 Sec. 8-12-3. As used in this Division:

22 (1) "Authority" means the "(Name of Financially
23 Distressed City) Financial Advisory Authority".

24 (2) "Financially distressed city" means any municipality
25 which is a home rule unit and which (i) is certified by the
26 Department of Revenue as being in the highest 5% of all home
27 rule municipalities in terms of the aggregate of the rate per
28 cent of all taxes levied pursuant to statute or ordinance
29 upon all taxable property of the municipality and as being in
30 the lowest 5% of all home rule municipalities in terms of per
31 capita tax yield, and (ii) is designated by joint resolution
32 of the General Assembly as a financially distressed city.

33 (3) "Home rule municipality" means a municipality which

1 is a home rule unit as provided in Section 6 of Article VII
2 of the Illinois Constitution.

3 (4) "Budget" means an annual appropriation ordinance or
4 annual budget as described in Division 2 of Article 8, as
5 from time to time in effect in the financially distressed
6 city.

7 (5) "Chairperson" means the chairperson of the Authority
8 appointed pursuant to Section 8-12-7.

9 (6) "Financial Plan" means the financially distressed
10 city's financial plan as developed pursuant to Section
11 8-12-15, as from time to time in effect.

12 (7) "Fiscal year" means the fiscal year of the
13 financially distressed city.

14 (8) "Obligations" means bonds, notes or other evidence
15 of indebtedness issued by the Illinois Development Finance
16 Authority in connection with the provision of financial aid
17 to a financially distressed city pursuant to this Division
18 and applicable provisions of the Illinois Development Finance
19 Authority Act.

20 (Source: P.A. 86-1211.)

21 (65 ILCS 5/8-12-6) (from Ch. 24, par. 8-12-6)
22 Sec. 8-12-6. Purposes and powers.

23 (a) The purposes of the Authority shall be to provide a
24 secure financial basis for and to furnish assistance to a
25 financially distressed city to which this Division is
26 applicable as provided in Section 8-12-4, and to request the
27 Illinois Development Finance Authority to issue its
28 Obligations on behalf of and thereby provide financial aid to
29 the city in accordance with applicable provisions of the
30 Illinois Development Finance Authority Act, so that the city
31 can provide basic municipal services within its
32 jurisdictional limits, while permitting the distressed city
33 to meet its obligations to its creditors and the holders of

1 its notes and bonds.

2 (b) Except as expressly limited by this Division, the
3 Authority shall have all powers necessary to meet its
4 responsibilities and to carry out its purposes and the
5 purposes of this Division, including, but not limited to, the
6 following powers:

7 (1) To provide for its organization and internal
8 management, and to make rules and regulations governing
9 the use of its property and facilities.

10 (2) To make and execute contracts, leases,
11 subleases and all other instruments or agreements
12 necessary or convenient for the exercise of the powers
13 and functions granted by this Division.

14 (3) To approve all loans, grants, or other
15 financial aid from any State agency.

16 (4) To appoint officers, agents, and employees of
17 the Authority, define their duties and qualifications and
18 fix their compensation and employee benefits.

19 (5) To engage the services of consultants for
20 rendering professional and technical assistance and
21 advice on matters within the Authority's power.

22 (6) To pay the expenses of its operations.

23 (7) To determine, in its discretion but consistent
24 with the requirements of this Division, the terms and
25 conditions of any loans it may make to the financially
26 distressed city.

27 (c) Any loan repayments received by the Authority from
28 the distressed city may be deposited by the Authority into a
29 revolving fund under the control of the Authority. Money in
30 the revolving fund may be used by the Authority to support
31 activities leading to a restructuring of the distressed
32 city's debt and may be pledged by the Authority as security
33 for any new debt incurred by the distressed city with the
34 approval of the Authority.

1 (d) From any funds appropriated to the Authority for the
2 purpose of making a loan to a distressed city, the Authority
3 may expend not more than \$250,000 for the expenses of its
4 operations in the fiscal year in which the appropriation is
5 made.

6 (Source: P.A. 88-664, eff. 9-16-94.)

7 (65 ILCS 5/8-12-19) (from Ch. 24, par. 8-12-19)

8 Sec. 8-12-19. The Authority shall appoint and shall have
9 the authority to remove a financial management officer. The
10 financial management officer shall have the responsibility
11 for advising on the preparation of the Budget and Financial
12 Plan of the financially distressed city and for monitoring
13 expenditures of the city. The financial management officer
14 shall be the authorized signatory for all expenditures made
15 from the proceeds of any State loans provided for the benefit
16 of the city pursuant to this Division or any other law of
17 this State, and for all expenditures made from financial aid
18 provided for the benefit of the city from Obligations issued
19 by the Illinois Development Finance Authority for such
20 purposes in accordance with applicable provisions of the
21 Illinois Development Finance Authority Act. The financial
22 management officer shall be an employee of and shall report
23 to the Authority, may be granted authority by the Authority
24 to hire a specific number of employees to assist in meeting
25 responsibilities, and shall have access to all financial data
26 and records of the city which he or she deems necessary for
27 the proper and efficient exercise of such responsibilities.
28 Neither the Authority or the financial management officer
29 shall have any authority to hire, fire or appoint city
30 employees or to manage the day-to-day operations of the city.

31 (Source: P.A. 86-1211.)

32 (65 ILCS 5/8-12-21) (from Ch. 24, par. 8-12-21)

1 Sec. 8-12-21. The Authority in its sole discretion may
2 intercept any payments that the city from time to time is
3 entitled to receive from any funds then or thereafter held by
4 the State Treasurer to the credit of the city or otherwise in
5 the custody of the State Treasurer to the credit of the city,
6 whether in or outside of the State Treasury, upon the
7 occurrence of any of the following:

8 (1) The financially distressed city's initial
9 Financial Plan and revised Budget required to be
10 submitted to the Authority with respect to the remaining
11 portion of what is the city's current fiscal year at the
12 time this Division first becomes applicable to the city
13 as provided in Section 8-12-4 are not approved by the
14 Authority within 60 days of their submission, and the
15 Authority has theretofore given written warning notice to
16 the corporate authorities of the city, on the 45th day
17 after such initial Financial Plan and revised Budget were
18 submitted, that the same have not yet been approved by
19 the Authority; or

20 (2) Any Financial Plan or Budget for any subsequent
21 fiscal year is not approved by the Authority by the
22 commencement of the fiscal year to which such Financial
23 Plan or Budget relates, and the Authority has theretofore
24 given written warning notice to the corporate authorities
25 of the city, on the 15th day prior to the commencement of
26 that fiscal year, that the Financial Plan or Budget for
27 such fiscal year has not yet been approved by the
28 Authority; or

29 (3) The financially distressed city materially
30 violates the provisions of this Division, and the
31 Authority -- at least 15 days prior to initiating any
32 action to intercept any payments pursuant to this Section
33 -- has given the corporate authorities of the city
34 written notice of the material violation and of the

1 Authority's intention to intercept payments pursuant to
2 this Section upon the expiration of that 15 day notice
3 period unless the city satisfies the Authority within
4 that 15 day period that the material violation cited by
5 the Authority has been corrected; provided that the
6 Authority shall not be required to give any notice to the
7 city or its corporate authorities prior to initiating
8 action to intercept payments pursuant to this Section if
9 such payments are to be intercepted because of the city's
10 failure to pay when due all amounts then due and owing
11 and required to be paid by the city on Obligations issued
12 by the Illinois Development Finance Authority in
13 connection with the provision of financial aid to the
14 city pursuant to this Division and applicable provisions
15 of the Illinois Development Finance Authority Act.

16 The intercept shall be made pursuant to written notice
17 given by the Authority to the State Comptroller and State
18 Treasurer, setting forth the amount of the intercept, which
19 may be an aggregate amount not exceeding the sum of the full
20 amount of any outstanding State loans provided for the
21 benefit of the city pursuant to this Division or any other
22 law of this State, plus the full amount of all outstanding
23 Obligations issued by the Illinois Development Finance
24 Authority on the financially distressed city's behalf in
25 accordance with applicable provisions of the Illinois
26 Development Finance Authority Act. The State Comptroller and
27 State Treasurer shall pay to the Authority, from such funds
28 as from time to time are legally available therefor, the
29 aggregate amount of the intercept, unless the Authority
30 sooner notifies the State Comptroller and State Treasurer in
31 writing that no further payments that the city is entitled to
32 receive shall be intercepted under the provisions of this
33 Section.

34 (Source: P.A. 86-1211.)

1 (65 ILCS 5/8-12-22) (from Ch. 24, par. 8-12-22)
2 Sec. 8-12-22. (a) After the Authority has certified to
3 the Governor that the financially distressed city has
4 completed 10 successive years of balanced budgets:

5 (1) The powers and responsibilities granted or
6 imposed upon the Authority and the financially distressed
7 city under Section 8-12-13 and Sections 8-12-15 through
8 8-12-21 shall not be exercised, except as otherwise
9 provided under subsection (b) of this Section.

10 (2) The provisions of Section 8-12-14 shall
11 continue in full force and effect. The financially
12 distressed city shall file with the Authority and with
13 the Illinois Development Finance Authority, not later
14 than 15 days prior to the commencement of the first
15 fiscal year with respect to which the powers and
16 responsibilities granted or imposed under Section 8-12-13
17 and Sections 8-12-15 through 8-12-21 are not to be
18 exercised, and not later than 15 days prior to the
19 commencement of each fiscal year thereafter, a balanced
20 Budget as adopted by the financially distressed city for
21 such fiscal year. In addition, for each fiscal year with
22 respect to which the powers and responsibilities granted
23 or imposed under Section 8-12-13 and Sections 8-12-15
24 through 8-12-21 are not to be exercised, the financially
25 distressed city shall file with the Authority and with
26 the Illinois Development Finance Authority a certified
27 copy of the same audit report and supplemental report
28 which are required to be made and filed for such fiscal
29 year by the city under the Illinois Municipal Auditing
30 Law, the filing with the Authority and the Illinois
31 Development Finance Authority to be made within the time
32 provided for the filing of such audit report and
33 supplemental report with the State Comptroller under
34 Section 8-8-4.

1 (b) The Authority and the Illinois Development Finance
2 Authority shall review each Budget, audit report and
3 supplemental report filed with them as provided in paragraph
4 (2) of subsection (a). In the event the financially
5 distressed city fails to file any Budget or certified copy of
6 an audit report or supplemental report as provided in
7 paragraph (2) of subsection (a), or in the event the Illinois
8 Development Finance Authority, after consultation with the
9 Authority, determines that the Budget adopted by the
10 financially distressed city and filed as provided in
11 paragraph (2) of subsection (a) is not balanced as required
12 under Section 8-12-14, the Illinois Development Finance
13 Authority shall certify such failure to file, or failure to
14 adopt a Budget which is balanced as required, to the
15 Governor; and concurrent with that certification, the
16 Authority established under Section 8-12-5 and the
17 financially distressed city shall resume the exercise and
18 performance of their respective powers and responsibilities
19 pursuant to each Section of this Division.

20 (c) When the Illinois Development Finance Authority
21 determines that all of its Obligations have been fully paid
22 and discharged or otherwise provided for, it shall certify
23 that fact to the Governor; and the Authority established
24 under Section 8-12-5 shall be abolished 30 days after the
25 date of that certification. Upon abolition of the Authority
26 as provided in this subsection, this Division shall have no
27 further force or effect upon the financially distressed city.
28 (Source: P.A. 86-1211.)

29 (65 ILCS 5/11-74.1-1) (from Ch. 24, par. 11-74.1-1)
30 Sec. 11-74.1-1. For the public purposes set forth in the
31 Illinois Development Finance Authority Act, the corporate
32 authorities of each municipality may (1) acquire, singly or
33 jointly with other municipalities or counties, by gift,

1 purchase or otherwise, but not by condemnation, except in
2 furtherance of ~~Sections--7.40--through-7.48--of~~ the Illinois
3 ~~Development~~ Finance Authority Act, land, or any interest in
4 land, whether located within or without its corporate limits,
5 and, singly or jointly, may improve or arrange for the
6 improvement of such land for industrial or commercial
7 purposes and may donate and convey such land, or interest in
8 land, so acquired and so improved, to the Illinois
9 ~~Development~~ Finance Authority; and (2) donate corporate funds
10 to such Authority.

11 (Source: P.A. 83-669.)

12 (65 ILCS 5/11-113.1-1) (from Ch. 24, par. 11-113.1-1)
13 Sec. 11-113.1-1. A non-home rule municipality located at
14 least partly in a county which is preparing a stormwater
15 management plan in accordance with Section 5-1062 of the
16 Counties Code may levy a tax upon all taxable property
17 within its corporate limits, at a rate not to exceed 0.06% if
18 the municipality owns and operates a wastewater treatment
19 plant, and at a rate not to exceed 0.03% if it does not, of
20 the value, as equalized or assessed by the Department of
21 Revenue, of all taxable property within the municipality, for
22 the purposes of implementing the stormwater management plan,
23 improving storm sewer and combined sewer facilities,
24 protecting sanitary sewage treatment works from the 100-year
25 frequency flood, and acquiring lands, buildings and
26 properties in the 100-year floodplain, paying the principal
27 of and interest on any bonds issued pursuant to this Section
28 for any of the foregoing purposes, and paying the principal
29 of, premium, if any, and interest on, and any fees relating
30 to, any loan made to such municipality by the Illinois
31 ~~Development~~ Finance Authority, pursuant to ~~subsection-(t)--of~~
32 ~~Section--7--of~~ the Illinois ~~Development~~ Finance Authority Act
33 for any of the foregoing purposes, or any bond, note or other

1 evidence of indebtedness of such municipality issued in
2 connection with any such loan. Such tax shall be in addition
3 to all other taxes authorized by law to be levied and
4 collected in such municipality and shall be in addition to
5 the maximum tax rate authorized by law for general municipal
6 purposes. The limitations on tax rate provided in this
7 Section may be increased or decreased by referendum in
8 accordance with the provisions of Sections 18-120, 18-125,
9 and 18-130 of the Property Tax Code.

10 However, unless the municipality is located at least
11 partly in a township declared after July 1, 1986 by
12 presidential declaration to be a disaster area as a result of
13 flooding, the tax authorized by this Section shall not be
14 levied until the question of its adoption, either for a
15 specified period or indefinitely, has been submitted to the
16 electors thereof and approved by a majority of those voting
17 on the question. This question may be submitted at any
18 election held in the municipality after the adoption of a
19 resolution by the governing body of the municipality
20 providing for the submission of the question to the electors
21 of the municipality. The governing body of the municipality
22 shall certify the resolution and proposition to the proper
23 election officials, who shall submit the proposition at an
24 election in accordance with the general election law. If a
25 majority of the votes cast on the question is in favor of the
26 levy of such tax, it may thereafter be levied in such
27 municipality for the specified period or indefinitely, as
28 provided in the proposition. The question shall be put in
29 substantially the following form:

30 -----
31 Shall an annual tax be levied
32 for stormwater management purposes YES
33 (for a period of not more than
34 years) at a rate not exceeding -----

1% of the equalized assessed
2 value of the taxable property of NO
3 (municipality)?

4 -----

5 Any municipality in a county which has established a
6 stormwater management planning committee in accordance with
7 Section 5-1062 of the Counties Code is hereby authorized to
8 borrow money and to issue its bonds for the purposes of
9 implementing the stormwater management plan, improving storm
10 sewer and combined sewer facilities, protecting sanitary
11 sewage treatment works from the 100-year frequency flood, and
12 acquiring lands, buildings and properties in the 100-year
13 floodplain.

14 Any municipality in a county which has established a
15 stormwater management planning committee in accordance with
16 Section 5-1062 of the Counties Code is hereby further
17 authorized to borrow money from the Illinois Development
18 Finance Authority for the purpose of financing the protection
19 of storm sewer outfalls, the construction of adequate storm
20 sewer outfalls and the provision for flood protection of
21 sanitary sewage treatment plants, pursuant to ~~subsection--(t)~~
22 ~~of--Section--7--of~~ the Illinois Development Finance Authority
23 Act, and is hereby authorized to enter into loan agreements
24 and other documents with the Illinois Development Finance
25 Authority and to issue its bonds, notes or other evidences of
26 indebtedness to evidence its obligation to repay such loan
27 to the Illinois Development Finance Authority. Without the
28 submission of the question to the electors, notwithstanding
29 any other provision of law to the contrary, such municipality
30 is hereby authorized to execute such loan agreements and
31 other documents and to issue such bonds, notes or other
32 evidences of indebtedness, which loan agreements, documents,
33 bonds, notes or other evidences of indebtedness may bear such
34 date or dates, may bear interest at such rate or rates,

1 payable at such time or times, may mature at any time or
2 times not later than 40 years from the date of issuance, may
3 be payable at such place or places, may be payable from any
4 funds of such municipality on hand and lawfully available
5 therefor, including without limitation the taxes levied
6 pursuant to this Section or from any other taxes or revenues
7 of such municipality pledged to their payment, may be
8 negotiated at such price or prices, may be executed in such
9 manner, may be subject to redemption prior to maturity, may
10 be in such form, may be secured, and may be subject to such
11 other terms and conditions, all as may be provided in a
12 resolution or ordinance authorizing the execution of any such
13 loan agreement or other document or the issuance of such
14 bonds, notes or other evidences of indebtedness.

15 (Source: P.A. 88-670, eff. 12-2-94.)

16 (65 ILCS 5/11-119-2) (from Ch. 24, par. 11-119-2)

17 Sec. 11-119-2. The corporate authorities of any city or
18 village availing itself of the provisions of this Division
19 119 shall adopt an ordinance describing in a general way the
20 improvements or extensions to be made. It shall not be
21 necessary that the ordinance refer to plans and
22 specifications nor that there be on file for public
23 inspection prior to the adoption of such ordinance detailed
24 plans and specifications of the project. The ordinance shall
25 set out the estimated cost of the improvements or extensions
26 and shall fix the amount of bonds proposed to be issued, the
27 maturity, interest rate, and all details in respect thereof.
28 Such ordinance, at the option of the municipality, may
29 contain provisions which shall be part of the contract with
30 the holders of the bonds as to: (1) The registration of the
31 bonds as to principal only, or as to both principal and
32 interest, and the interchangeability and exchangeability of
33 the bonds. (2) The redemption of the bonds prior to maturity

1 and the price, either at par or at a premium, at which they
2 are redeemable. (3) The setting aside of reserves or sinking
3 funds, and the regulation or disposition thereof. (4)
4 Limitations upon the issuance of additional bonds payable
5 from the revenues of the system, or upon the rights of the
6 holders of these additional bonds. (5) Other agreements with
7 the holders of the bonds, or covenants or restrictions
8 necessary or desirable to safeguard the interests of these
9 holders. After the ordinance has been adopted and approved it
10 shall be published once in a newspaper published and having a
11 general circulation in the municipality, or if there is no
12 such newspaper, copies of the ordinance shall be posted in at
13 least 4 public places within the municipality. The ordinance
14 shall be in effect after the expiration of 10 days from the
15 date of this publication.

16 Bonds issued under this Division 119 shall be payable
17 solely from the revenue derived from the electric light plant
18 and system, or the gas plant and system, as the case may be,
19 and these bonds shall not in any event constitute an
20 indebtedness of the municipality within the meaning of any
21 constitutional or statutory limitation; provided, that bonds
22 issued under this Division 119 may also be payable from funds
23 pledged by the municipality issuing such bonds pursuant to
24 ~~Section--7-59--of~~ the Illinois Development Finance Authority
25 Act, and, notwithstanding such pledge of such funds, shall
26 not in any event constitute an indebtedness of the
27 municipality within the meaning of any constitutional or
28 statutory limitation. It shall be plainly stated on the face
29 of each bond that it has been issued under the provisions of
30 this Division 119 and that it does not constitute an
31 indebtedness of the municipality within any constitutional or
32 statutory limitation.

33 (Source: P.A. 85-659.)

1 (65 ILCS 5/11-129-3) (from Ch. 24, par. 11-129-3)

2 Sec. 11-129-3. The corporate authorities of any
3 municipality availing itself of the provisions of this
4 Division 129 shall adopt an ordinance describing in a general
5 way the contemplated project. If it is intended to purchase
6 an existing waterworks or water supply system, the ordinance
7 shall describe in a general way the system to be purchased.
8 If it is intended to build a waterworks or water supply
9 system or to improve or extend a waterworks or water supply
10 system owned and operated by the municipality, the ordinance
11 shall describe in a general way the waterworks or water
12 supply system to be constructed or the improvements or
13 extensions to be made. It shall not be necessary that the
14 ordinance refer to plans and specifications nor that there be
15 on file for public inspection prior to the adoption of such
16 ordinance detailed plans and specifications of the project.
17 The ordinance shall set out the estimated cost of the
18 project, determine its period of usefulness, and fix the
19 amount and maturities of water revenue bonds proposed to be
20 issued, the interest rate, and all details in respect
21 thereof. The ordinance may contain such covenants and
22 restrictions upon the issuance of additional revenue bonds
23 thereafter as may be deemed necessary or advisable for the
24 assurance of payment of the bonds thereby authorized and as
25 may be thereafter issued.

26 Revenue bonds issued under this Division 129 shall be
27 payable solely from the revenue derived from the operation of
28 the waterworks or water supply system on account of which the
29 bonds are issued; provided, that bonds issued under this
30 Division 129 may also be payable from funds pledged by the
31 municipality issuing such bonds pursuant to ~~Section 7-59 of~~
32 the Illinois Development Finance Authority Act.
33 Notwithstanding any such pledge or any other matter, these
34 bonds shall not in any event constitute an indebtedness of

1 the municipality within the meaning of any constitutional or
2 statutory limitation and it shall be so stated on the face of
3 each bond.

4 (Source: P.A. 85-659.)

5 (65 ILCS 5/11-139-7) (from Ch. 24, par. 11-139-7)

6 Sec. 11-139-7. Revenue bonds issued under this Division
7 139 shall be payable solely from the revenue derived from the
8 operation of the combined waterworks and sewerage system on
9 account of which the bonds are issued; provided, that bonds
10 issued under this Division 139 may also be payable from funds
11 pledged by the municipality issuing such bonds pursuant to
12 ~~Section 7-59 of~~ the Illinois Development Finance Authority
13 Act. Notwithstanding any such pledge or any other matter,
14 these bonds shall not in any event constitute an indebtedness
15 of the municipality within the meaning of any constitutional
16 or statutory limitation and it shall be so stated on the face
17 of each bond.

18 (Source: P.A. 85-659.)

19 (65 ILCS 5/11-141-5) (from Ch. 24, par. 11-141-5)

20 Sec. 11-141-5. All bonds issued under this Division 141
21 are payable solely from the revenue derived from the
22 operation of the sewerage system; provided, that bonds issued
23 under this Division 141 may also be payable from funds
24 pledged by the municipality issuing such bonds pursuant to
25 ~~Section 7-59 of~~ the Illinois Development Finance Authority
26 Act. Notwithstanding any such pledge or any other matter,
27 these bonds shall not, in any event, constitute an
28 indebtedness of the municipality within the meaning of any
29 constitutional or statutory limitation. It shall be plainly
30 stated on the face of each bond that the bond has been issued
31 under this Division 141 and that it does not constitute an
32 indebtedness of the municipality within any constitutional or

1 statutory limitation.

2 (Source: P.A. 85-659.)

3 Section 890-16. The Joliet Arsenal Development Authority
4 Act is amended by changing Section 40 as follows:

5 (70 ILCS 508/40)

6 Sec. 40. Acquisition.

7 (a) The Authority may, but need not, acquire title to
8 any project with respect to which it exercises its authority.

9 (b) The Authority shall have power to acquire by
10 purchase, lease, gift, or otherwise any property or rights
11 therein from any person, the State of Illinois, any municipal
12 corporation, any local unit of government, the government of
13 the United States, any agency or instrumentality of the
14 United States, any body politic, or any county useful for its
15 purposes, whether improved for the purposes of any
16 prospective project or unimproved. The Authority may also
17 accept any donation of funds for its purposes from any of
18 those sources.

19 (c) The Authority shall have power to develop,
20 construct, and improve, either under its own direction or
21 through collaboration with any approved applicant, or to
22 acquire through purchase or otherwise any project, using for
23 that purpose the proceeds derived from its sale of revenue
24 bonds, notes, or other evidences of indebtedness or
25 governmental loans or grants, and to hold title in the name
26 of the Authority to those projects.

27 (d) The Authority shall have the power to enter into
28 intergovernmental agreements with the State of Illinois, the
29 county of Will, the Illinois Development Finance Authority,
30 ~~the Illinois Education Facilities Authority,~~ the Metropolitan
31 Pier and Exposition Authority, the United States government,
32 any agency or instrumentality of the United States, any unit

1 of local government located within the territory of the
2 Authority, or any other unit of government to the extent
3 allowed by Article VII, Section 10 of the Illinois
4 Constitution and the Intergovernmental Cooperation Act.

5 (e) The Authority shall have the power to share
6 employees with other units of government, including agencies
7 of the United States, agencies of the State of Illinois, and
8 agencies or personnel of any unit of local government.

9 (f) Subject to subsection (i) of Section 35 of this Act,
10 the Authority shall have the power to exercise powers and
11 issue revenue bonds as if it were a municipality so
12 authorized in Divisions 12.1, 74, 74.1, 74.3, and 74.5 of
13 Article 11 of the Illinois Municipal Code.

14 (Source: P.A. 89-333, eff. 8-17-95.)

15 Section 890-17. The Quad Cities Regional Economic
16 Development Authority Act, approved September 22, 1987, is
17 amended by changing Section 14 as follows:

18 (70 ILCS 510/14) (from Ch. 85, par. 6214)

19 Sec. 14. Additional powers and duties. (a) The
20 Authority may, but need not, acquire title to any project
21 with respect to which it exercises its authority.

22 (b) The Authority shall have the power to enter into
23 intergovernmental agreements with the State of Illinois, the
24 counties of Rock Island, Henry or Mercer, the State of Iowa
25 or any authority established by the State of Iowa, the
26 Illinois Development Finance Authority, the Illinois Housing
27 Development Authority, the--Illinois--Education--Facilities
28 Authority, the United States government and any agency or
29 instrumentality of the United States, any unit of local
30 government located within the territory of the Authority or
31 any other unit of government to the extent allowed by Article
32 VII, Section 10 of the Illinois Constitution and the

1 Intergovernmental Cooperation Act.

2 (c) The Authority shall have the power to share
3 employees with other units of government, including agencies
4 of the United States, agencies of the State of Illinois and
5 agencies or personnel of any unit of local government.

6 (d) The Authority shall have the power to exercise
7 powers and issue bonds as if it were a municipality so
8 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of
9 Article 11 of the Illinois Municipal Code.

10 (Source: P.A. 85-713.)

11 Section 890-18. The Quad Cities Regional Economic
12 Development Authority Act, certified December 30, 1987, is
13 amended by changing Section 13 as follows:

14 (70 ILCS 515/13) (from Ch. 85, par. 6513)

15 Sec. 13. Additional powers and duties. (a) The
16 Authority may, but need not, acquire title to any project
17 with respect to which it exercises its authority.

18 (b) The Authority shall have the power to enter into
19 intergovernmental agreements with the State of Illinois, the
20 counties of Rock Island, Henry or Mercer, the State of Iowa
21 or any authority established by the State of Iowa, the
22 Illinois Development Finance Authority, the Illinois Housing
23 Development Authority, ~~the--Illinois--Education--Facilities~~
24 ~~Authority~~, the United States government and any agency or
25 instrumentality of the United States, any unit of local
26 government located within the territory of the Authority or
27 any other unit of government to the extent allowed by Article
28 VII, Section 10 of the Illinois Constitution and the
29 Intergovernmental Cooperation Act.

30 (c) The Authority shall have the power to share
31 employees with other units of government, including agencies
32 of the United States, agencies of the State of Illinois and

1 agencies or personnel of any unit of local government.

2 (d) The Authority shall have the power to exercise
3 powers and issue bonds as if it were a municipality so
4 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of
5 Article 11 of the Illinois Municipal Code.

6 (Source: P.A. 85-988.)

7 Section 890-19. The Southwestern Illinois Development
8 Authority Act is amended by changing Section 8 as follows:

9 (70 ILCS 520/8) (from Ch. 85, par. 6158)

10 Sec. 8. (a) The Authority may, but need not, acquire
11 title to any project with respect to which it exercises its
12 authority.

13 (b) The Authority shall have power to acquire by
14 purchase, lease, gift or otherwise any property or rights
15 therein from any person or persons, the State of Illinois,
16 any municipal corporation, any local unit of government, the
17 government of the United States and any agency or
18 instrumentality of the United States, any body politic or any
19 county useful for its purposes, whether improved for the
20 purposes of any prospective project or unimproved. The
21 Authority may also accept any donation of funds for its
22 purposes from any such source. The Authority may acquire any
23 real property, or rights therein, upon condemnation. The
24 acquisition by eminent domain of such real property or any
25 interest therein by the Authority shall be in the manner
26 provided by the "Code of Civil Procedure", as now or
27 hereafter amended, including Section 7-103 thereof.

28 The Authority shall not exercise any quick-take eminent
29 domain powers granted by State law within the corporate
30 limits of a municipality unless the governing authority of
31 the municipality authorizes the Authority to do so. The
32 Authority shall not exercise any quick-take eminent domain

1 powers granted by State law within the unincorporated areas
2 of a county unless the county board authorizes the Authority
3 to do so.

4 (c) The Authority shall have power to develop, construct
5 and improve, either under its own direction or through
6 collaboration with any approved applicant, or to acquire
7 through purchase or otherwise any project, using for such
8 purpose the proceeds derived from its sale of revenue bonds,
9 notes or other evidences of indebtedness or governmental
10 loans or grants and to hold title in the name of the
11 Authority to such projects.

12 (d) The Authority shall have the power to enter into
13 intergovernmental agreements with the State of Illinois, the
14 counties of Madison or St. Clair, the Southwest Regional Port
15 District, the Illinois Development Finance Authority, the
16 Illinois Housing Development Authority, the---Illinois
17 Education--Facilities--Autherity, the Metropolitan Pier and
18 Exposition Authority, the United States government and any
19 agency or instrumentality of the United States, the city of
20 East St. Louis, any unit of local government located within
21 the territory of the Authority or any other unit of
22 government to the extent allowed by Article VII, Section 10
23 of the Illinois Constitution and the Intergovernmental
24 Cooperation Act.

25 (e) The Authority shall have the power to share
26 employees with other units of government, including agencies
27 of the United States, agencies of the State of Illinois and
28 agencies or personnel of any unit of local government.

29 (f) The Authority shall have the power to exercise
30 powers and issue bonds as if it were a municipality so
31 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of
32 Article 11 of the Illinois Municipal Code.

33 (Source: P.A. 89-343, eff. 8-17-95.)

1 Section 890-20. The Tri-County River Valley Development
2 Authority Act Law is amended by changing Section 2008 as
3 follows:

4 (70 ILCS 525/2008) (from Ch. 85, par. 7508)
5 Sec. 2008. Acquisition.

6 (a) The Authority may, but need not, acquire title to any
7 project with respect to which it exercises its authority.

8 (b) The Authority shall have power to acquire by
9 purchase, lease, gift or otherwise any property or rights
10 therein from any person or persons, the State of Illinois,
11 any municipal corporation, any local unit of government, the
12 government of the United States and any agency or
13 instrumentality of the United States, any body politic or any
14 county useful for its purposes, whether improved for the
15 purposes of any prospective project or unimproved. The
16 Authority may also accept any donation of funds for its
17 purposes from any such source.

18 (c) The Authority shall have power to develop, construct
19 and improve, either under its own direction or through
20 collaboration with any approved applicant, or to acquire
21 through purchase or otherwise any project, using for such
22 purpose the proceeds derived from its sale of revenue bonds,
23 notes or other evidences of indebtedness or governmental
24 loans or grants and to hold title in the name of the
25 Authority to such projects.

26 (d) The Authority shall have the power to enter into
27 intergovernmental agreements with the State of Illinois, the
28 counties of Peoria, Tazewell or Woodford, the Illinois
29 Development Finance Authority, the Illinois Housing
30 Development Authority, the--Illinois--Education--Facilities
31 Authority, the Metropolitan Pier and Exposition Authority,
32 the United States government and any agency or
33 instrumentality of the United States, any unit of local

1 government located within the territory of the Authority or
2 any other unit of government to the extent allowed by Article
3 VII, Section 10 of the Illinois Constitution and the
4 Intergovernmental Cooperation Act.

5 (e) The Authority shall have the power to share
6 employees with other units of government, including agencies
7 of the United States, agencies of the State of Illinois and
8 agencies or personnel of any unit of local government.

9 (f) The Authority shall have the power to exercise
10 powers and issue bonds as if it were a municipality so
11 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of
12 Article 11 of the Illinois Municipal Code.

13 (Source: P.A. 86-1489.)

14 Section 890-21. The Upper Illinois River Valley
15 Development Authority Act is amended by changing Section 8 as
16 follows:

17 (70 ILCS 530/8) (from Ch. 85, par. 7158)

18 Sec. 8. Acquisition.

19 (a) The Authority may, but need not, acquire title to
20 any project with respect to which it exercises its authority.

21 (b) The Authority shall have power to acquire by
22 purchase, lease, gift or otherwise any property or rights
23 therein from any person or persons, the State of Illinois,
24 any municipal corporation, any local unit of government, the
25 government of the United States and any agency or
26 instrumentality of the United States, any body politic or any
27 county useful for its purposes, whether improved for the
28 purposes of any prospective project or unimproved. The
29 Authority may also accept any donation of funds for its
30 purposes from any such source.

31 (c) The Authority shall have power to develop, construct
32 and improve, either under its own direction or through

1 collaboration with any approved applicant, or to acquire
2 through purchase or otherwise any project, using for such
3 purpose the proceeds derived from its sale of revenue bonds,
4 notes or other evidences of indebtedness or governmental
5 loans or grants and to hold title in the name of the
6 Authority to such projects.

7 (d) The Authority shall have the power to enter into
8 intergovernmental agreements with the State of Illinois, the
9 counties of Grundy, LaSalle, Bureau, Putnam or Marshall, the
10 Illinois Development Finance Authority, the Illinois Housing
11 Development Authority, ~~the--Illinois--Education--Facilities~~
12 ~~Authority~~, the Metropolitan Pier and Exposition Authority,
13 the United States government and any agency or
14 instrumentality of the United States, any unit of local
15 government located within the territory of the Authority or
16 any other unit of government to the extent allowed by Article
17 VII, Section 10 of the Illinois Constitution and the
18 Intergovernmental Cooperation Act.

19 (e) The Authority shall have the power to share
20 employees with other units of government, including agencies
21 of the United States, agencies of the State of Illinois and
22 agencies or personnel of any unit of local government.

23 (f) The Authority shall have the power to exercise
24 powers and issue bonds as if it were a municipality so
25 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of
26 Article 11 of the Illinois Municipal Code.

27 (Source: P.A. 86-1024; 87-895.)

28 Section 890-22. The Will-Kankakee Regional Development
29 Authority Law is amended by changing Section 8 as follows:

30 (70 ILCS 535/8) (from Ch. 85, par. 7458)

31 Sec. 8. Acquisition.

32 (a) The Authority may, but need not, acquire title to

1 any project with respect to which it exercises its authority.

2 (b) The Authority shall have power to acquire by
3 purchase, lease, gift or otherwise any property or rights
4 therein from any person or persons, the State of Illinois,
5 any municipal corporation, any local unit of government, the
6 government of the United States and any agency or
7 instrumentality of the United States, any body politic or any
8 county useful for its purposes, whether improved for the
9 purposes of any prospective project or unimproved. The
10 Authority may also accept any donation of funds for its
11 purposes from any such source.

12 (c) The Authority shall have power to develop, construct
13 and improve, either under its own direction or through
14 collaboration with any approved applicant, or to acquire
15 through purchase or otherwise any project, using for such
16 purpose the proceeds derived from its sale of revenue bonds,
17 notes or other evidences of indebtedness or governmental
18 loans or grants and to hold title in the name of the
19 Authority to such projects.

20 (d) The Authority shall have the power to enter into
21 intergovernmental agreements with the State of Illinois, the
22 counties of Will and Kankakee, the Illinois Development
23 Finance Authority, ~~the---Illinois---Education---Facilities~~
24 ~~Authority~~, the Metropolitan Pier and Exposition Authority,
25 the United States government and any agency or
26 instrumentality of the United States, any unit of local
27 government located within the territory of the Authority or
28 any other unit of government to the extent allowed by Article
29 VII, Section 10 of the Illinois Constitution and the
30 Intergovernmental Cooperation Act.

31 (e) The Authority shall have the power to share
32 employees with other units of government, including agencies
33 of the United States, agencies of the State of Illinois and
34 agencies or personnel of any unit of local government.

1 (f) The Authority shall have the power to exercise
2 powers and issue bonds as if it were a municipality so
3 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of
4 Article 11 of the Illinois Municipal Code.

5 (Source: P.A. 86-1481.)

6 Section 890-23. The Sanitary District Act of 1907 is
7 amended by changing Section 17.1 as follows:

8 (70 ILCS 2205/17.1) (from Ch. 42, par. 263.1)

9 Sec. 17.1. The board of trustees of a sanitary district
10 that owns and operates a wastewater treatment plant in a
11 county which has established a stormwater management planning
12 committee in accordance with Section 5-1062 of the Counties
13 Code may levy a tax upon all taxable property within its
14 district at a rate not to exceed 0.03% of the value of such
15 property, as equalized or assessed by the Department of
16 Revenue, for the purposes of protecting pumping stations,
17 wastewater treatment plants and combined sewer outfalls from
18 the 100-year flood, paying the principal of and interest on
19 any bonds issued pursuant to this Section for any of the
20 foregoing purposes, and paying the principal of, premium, if
21 any, and interest on, and any fees relating to, any loan made
22 to such sanitary district by the Illinois Development Finance
23 Authority, pursuant to ~~subsection (t) of Section 7 of~~ the
24 Illinois Development Finance Authority Act, for any of the
25 foregoing purposes, or any bond, note or other evidence of
26 indebtedness of such municipality issued in connection with
27 any such loan. The 0.03% limitation provided in this Section
28 may be increased or decreased by referendum in accordance
29 with the provisions of Sections 18-120, 18-125, and 18-130 of
30 the Property Tax Code.

31 The tax authorized by this Section may be levied without
32 referendum by any sanitary district that is located at least

1 partly in a township declared after July 1, 1986 by
2 presidential declaration to be a disaster area as a result of
3 flooding. However, the tax authorized by this Section shall
4 not be levied by any sanitary district not so located unless
5 the question of its adoption, either for a specified period
6 or indefinitely, is submitted to the electors thereof and
7 approved by a majority of those voting on the question. This
8 question may be submitted at any election held in the
9 sanitary district after the adoption of a resolution by the
10 board of trustees of the sanitary district providing for the
11 submission of the question to the electors of the sanitary
12 district. The board of trustees shall certify the resolution
13 and proposition to the proper election officials, who shall
14 submit the proposition at an election in accordance with the
15 general election law. If a majority of the votes cast on the
16 question is in favor of the levy of such tax, it may
17 thereafter be levied in such sanitary district for the
18 specified period or indefinitely, as provided in the
19 proposition. The question shall be put in substantially the
20 following form:

21 -----
22 Shall an annual tax be levied
23 for stormwater management purposes YES
24 (for a period of not more than
25 years) at a rate not exceeding -----
26 0.03% of the equalized assessed
27 value of the taxable property of NO
28 the Sanitary District?
29 -----

30 Any sanitary district in a county that has established a
31 stormwater management planning committee in accordance with
32 Section 5-1062 of the Counties Code is hereby authorized to
33 borrow money and to issue its bonds for the purposes of
34 protecting pumping stations, wastewater treatment plants and

1 combined sewer outfalls from the 100-year flood.

2 Any sanitary district in a county that has established a
3 stormwater management planning committee in accordance with
4 Section 5-1062 of the Counties Code is hereby further
5 authorized to borrow money from the Illinois Development
6 Finance Authority for the purpose of financing the provision
7 of flood protection for sanitary sewage treatment plants,
8 pursuant to ~~subsection (t) of Section 7 of~~ the Illinois
9 Development Finance Authority Act, and is hereby authorized
10 to enter into loan agreements and other documents with the
11 Illinois Development Finance Authority and to issue its
12 bonds, notes or other evidences of indebtedness to evidence
13 its obligation to repay such loan to the Illinois Development
14 Finance Authority. Without the submission of the question to
15 the electors, notwithstanding any other provision of law to
16 the contrary, such sanitary district is hereby authorized to
17 execute such loan agreements and other documents and to issue
18 such bonds, notes or other evidences of indebtedness, which
19 loan agreements, documents, bonds, notes or other evidences
20 of indebtedness may bear such date or dates, may bear
21 interest at such rate or rates, payable at such time or
22 times, may mature at any time or times not later than 40
23 years from the date of issuance, may be payable at such place
24 or places, may be payable from any funds of such sanitary
25 district on hand and lawfully available therefor, including
26 without limitation the taxes levied pursuant to this Section
27 or from any other taxes or revenues of such sanitary district
28 pledged to their payment, may be negotiated at such price or
29 prices, may be executed in such manner, may be subject to
30 redemption prior to maturity, may be in such form, may be
31 secured, and may be subject to such other terms and
32 conditions, all as may be provided in a resolution or
33 ordinance authorizing the execution of any such loan
34 agreement or other document or the issuance of such bonds,

1 notes or other evidences of indebtedness.

2 (Source: P.A. 88-670, eff. 12-2-94.)

3 Section 890-24. The Family Practice Residency Act is
4 amended by changing Section 10 as follows:

5 (110 ILCS 935/10) (from Ch. 144, par. 1460)

6 Sec. 10. Scholarship recipients who fail to fulfill the
7 obligation described in subsection (d) of Section 3.07 of
8 this Act shall pay to the Department a sum equal to 3 times
9 the amount of the annual scholarship grant for each year the
10 recipient fails to fulfill such obligation. A scholarship
11 recipient who fails to fulfill the obligation described in
12 subsection (d) of Section 3.07 shall have 30 days from the
13 date on which that failure begins in which to enter into a
14 contract with the Department that sets forth the manner in
15 which that sum is required to be paid. If the contract is
16 not entered into within that 30 day period or if the contract
17 is entered into but the required payments are not made in the
18 amounts and at the times provided in the contract, the
19 scholarship recipient also shall be required to pay to the
20 Department interest at the rate of 9% per annum on the amount
21 of that sum remaining due and unpaid. The amounts paid to the
22 Department under this Section shall be deposited into the
23 Community Health Center Care Fund and shall be used by the
24 Department to improve access to primary health care services
25 as authorized by subsection (a) of Section 2310-200 of the
26 Department of Public Health Powers and Duties Law (20 ILCS
27 2310/2310-200).

28 The Department may transfer to the Illinois Development
29 Finance Authority, into an account outside the State
30 treasury, moneys in the Community Health Center Care Fund as
31 needed, but not to exceed an amount established, by rule, by
32 the Department to establish a reserve or credit enhancement

1 escrow account to support a financing program or a loan or
2 equipment leasing program to provide moneys to support the
3 purposes of subsection (a) of Section 2310-200 of the
4 Department of Public Health Powers and Duties Law (20 ILCS
5 2310/2310-200). The disposition of moneys at the conclusion
6 of any financing program under this Section shall be
7 determined by an interagency agreement.

8 (Source: P.A. 90-405, eff. 1-1-98; 91-239, eff. 1-1-00.)

9 Section 890-25. The Illinois Public Aid Code is amended
10 by changing Sections 11-3 and 11-3.3 as follows:

11 (305 ILCS 5/11-3) (from Ch. 23, par. 11-3)

12 Sec. 11-3. Assignment and attachment of aid prohibited.
13 Except as provided below in this Section and in Section
14 11-3.3, all financial aid given under Articles III, IV, V,
15 and VI and money payments for child care services provided by
16 a child care provider under Articles IX and IXA shall not be
17 subject to assignment, sale, attachment, garnishment, or
18 otherwise. Provided, however, that a medical vendor may use
19 his right to receive vendor payments as collateral for loans
20 from financial institutions so long as such arrangements do
21 not constitute any activity prohibited under Section
22 1902(a)(32) of the Social Security Act and regulations
23 promulgated thereunder, or any other applicable laws or
24 regulations. Provided further, however, that a medical or
25 other vendor or a service provider may assign, reassign,
26 sell, pledge or grant a security interest in any such
27 financial aid, vendor payments or money payments or grants
28 which he has a right to receive to the Illinois Health
29 Facilities Authority, in connection with any financing
30 program undertaken by the Illinois Health Facilities
31 Authority, or to the Illinois Development Finance Authority,
32 in connection with any financing program undertaken by the

1 Illinois Development Finance Authority. Each Authority may
2 utilize a trustee or agent to accept, accomplish, effectuate
3 or realize upon any such assignment, reassignment, sale,
4 pledge or grant on that Authority's behalf. Provided further,
5 however, that nothing herein shall prevent the Illinois
6 Department from collecting any assessment, fee, interest or
7 penalty due under Article V-A, V-B, V-C, or V-E by
8 withholding financial aid as payment of such assessment, fee,
9 interest, or penalty. Any alienation in contravention of this
10 statute does not diminish and does not affect the validity,
11 legality or enforceability of any underlying obligations for
12 which such alienation may have been made as collateral
13 between the parties to the alienation. This amendatory Act
14 shall be retroactive in application and shall pertain to
15 obligations existing prior to its enactment.

16 (Source: P.A. 92-111, eff. 1-1-02.)

17 (305 ILCS 5/11-3.3) (from Ch. 23, par. 11-3.3)

18 Sec. 11-3.3. Payment to provider or governmental agency
19 or entity. Payments under this Code shall be made to the
20 provider, except that the Department may issue or may agree
21 to issue the payment directly to the Illinois Health
22 Facilities Authority, the Illinois Development Finance
23 Authority, or any other governmental agency or entity,
24 including any bond trustee for that agency or entity, to whom
25 the provider has assigned, reassigned, sold, pledged or
26 granted a security interest in the payments that the provider
27 has a right to receive, provided that the issuance or
28 agreement to issue is not prohibited under Section
29 1902(a)(32) of the Social Security Act.

30 (Source: P.A. 87-842.)

31 Section 890-26. The Illinois Affordable Housing Act is
32 amended by changing Section 6 as follows:

1 (310 ILCS 65/6) (from Ch. 67 1/2, par. 1256)

2 Sec. 6. Advisory Commission.

3 (a) There is hereby created the Illinois Affordable
4 Housing Advisory Commission. The Commission shall consist of
5 15 members. Three of the Commissioners shall be the Directors
6 of the Illinois Housing Development Authority, the Illinois
7 Development Finance Authority and the Department of Commerce
8 and Community Affairs or their representatives. One of the
9 Commissioners shall be the Commissioner of the Chicago
10 Department of Housing or its representative. The remaining 11
11 members shall be appointed by the Governor, with the advice
12 and consent of the Senate, and not more than 4 of these
13 Commission members shall reside in any one county in the
14 State. At least one Commission member shall be an
15 administrator of a public housing authority from other than a
16 municipality having a population in excess of 2,000,000; at
17 least 2 Commission members shall be representatives of
18 special needs populations as described in subsection (e) of
19 Section 8; at least 4 Commission members shall be
20 representatives of community-based organizations engaged in
21 the development or operation of housing for low-income and
22 very low-income households; and at least 4 Commission members
23 shall be representatives of advocacy organizations, one of
24 which shall represent a tenants' advocacy organization. The
25 Governor shall consider nominations made by advocacy
26 organizations and community-based organizations.

27 (b) Members appointed to the Commission shall serve a
28 term of 3 years; however, 3 members first appointed under
29 this Act shall serve an initial term of one year, and 4
30 members first appointed under this Act shall serve a term of
31 2 years. Individual terms of office shall be chosen by lot
32 at the initial meeting of the Commission. The Governor shall
33 appoint the Chairman of the Commission, and the Commission
34 members shall elect a Vice Chairman.

1 (c) Members of the Commission shall not be entitled to
2 compensation, but shall receive reimbursement for actual and
3 reasonable expenses incurred in the performance of their
4 duties.

5 (d) Eight members of the Commission shall constitute a
6 quorum for the transaction of business.

7 (e) The Commission shall meet at least quarterly and its
8 duties and responsibilities are:

9 (1) the study and review of the availability of
10 affordable housing for low-income and very low-income
11 households in the State of Illinois and the development
12 of a plan which addresses the need for additional
13 affordable housing;

14 (2) encouraging collaboration between federal and
15 State agencies, local government and the private sector
16 in the planning, development and operation of affordable
17 housing for low-income and very low-income households;

18 (3) studying, evaluating and soliciting new and
19 expanded sources of funding for affordable housing;

20 (4) developing, proposing, reviewing, and
21 commenting on priorities, policies and procedures for
22 uses and expenditures of Trust Fund monies, including
23 policies which assure equitable distribution of funds
24 statewide;

25 (5) making recommendations to the Program
26 Administrator concerning proposed expenditures from the
27 Trust Fund;

28 (6) making recommendations to the Program
29 Administrator concerning the developments proposed to be
30 financed with the proceeds of Affordable Housing Program
31 Trust Fund Bonds or Notes;

32 (7) reviewing and commenting on the development of
33 priorities, policies and procedures for the
34 administration of the Program;

1 (8) monitoring and evaluating all allocations of
2 funds under this Program; and

3 (9) making recommendations to the General Assembly
4 for further legislation that may be necessary in the area
5 of affordable housing.

6 (Source: P.A. 88-93; 89-286, eff. 8-10-95.)

7 Section 890-27. The Illinois Rural/Downstate Health Act
8 is amended by changing Section 4 as follows:

9 (410 ILCS 65/4) (from Ch. 111 1/2, par. 8054)

10 Sec. 4. The Center shall have the authority:

11 (a) To assist rural communities and communities in
12 designated shortage areas by providing technical assistance
13 to community leaders in defining their specific health care
14 needs and identifying strategies to address those needs.

15 (b) To link rural communities and communities in
16 designated shortage areas with other units in the Department
17 or other State agencies which can assist in the solution of a
18 health care access problem.

19 (c) To maintain and disseminate information on
20 innovative health care strategies, either directly or
21 indirectly.

22 (d) To administer State or federal grant programs
23 relating to rural health or medically underserved areas
24 established by State or federal law for which funding has
25 been made available.

26 (e) To promote the development of primary care services
27 in rural areas and designated shortage areas. Subject to
28 available appropriations, the Department may annually award
29 grants of up to \$300,000 each to enable the health services
30 in those areas to offer multi-service comprehensive
31 ambulatory care, thereby improving access to primary care
32 services. Grants may cover operational and facility

1 construction and renovation expenses, including but not
2 limited to the cost of personnel, medical supplies and
3 equipment, patient transportation, and health provider
4 recruitment. The Department shall prescribe by rule standards
5 and procedures for the provision of local matching funds in
6 relation to each grant application. Grants provided under
7 this paragraph (e) shall be in addition to support and
8 assistance provided under subsection (a) of Section 2310-200
9 of the Department of Public Health Powers and Duties Law (20
10 ILCS 2310/2310-200). Eligible applicants shall include, but
11 not be limited to, community-based organizations, hospitals,
12 local health departments, and Community Health Centers as
13 defined in Section 4.1 of this Act.

14 (f) To annually provide grants from available
15 appropriations to hospitals located in medically underserved
16 areas or health manpower shortage areas as defined by the
17 United States Department of Health and Human Services, whose
18 governing boards include significant representation of
19 consumers of hospital services residing in the area served by
20 the hospital, and which agree not to discriminate in any way
21 against any consumer of hospital services based upon the
22 consumer's source of payment for those services. Grants that
23 may be awarded under this paragraph (f) shall be limited to
24 \$500,000 and shall not exceed 50% of the total project need
25 indicated in each application. Expenses covered by the grants
26 may include but are not limited to facility renovation,
27 equipment acquisition and maintenance, recruitment of health
28 personnel, diversification of services, and joint venture
29 arrangements.

30 (g) To establish a recruitment center which shall
31 actively recruit physicians and other health care
32 practitioners to participate in the program, maintain
33 contacts with participating practitioners, actively promote
34 health care professional practice in designated shortage

1 areas, assist in matching the skills of participating medical
2 students with the needs of community health centers in
3 designated shortage areas, and assist participating medical
4 students in locating in designated shortage areas.

5 (h) To assist communities in designated shortage areas
6 find alternative services or temporary health care providers
7 when existing health care providers are called into active
8 duty with the armed forces of the United States.

9 (i) To develop, in cooperation with the Illinois
10 Development Finance Authority, financing programs whose goals
11 and purposes shall be to provide moneys to carry out the
12 purpose of this Act, including, but not limited to, revenue
13 bond programs, revolving loan programs, equipment leasing
14 programs, and working cash programs. The Department may
15 transfer to the Illinois Development Finance Authority, into
16 an account outside of the State treasury, moneys in special
17 funds of the Department for the purposes of establishing
18 those programs. The disposition of any moneys so transferred
19 shall be determined by an interagency agreement.

20 (Source: P.A. 91-239, eff. 1-1-00; 91-357, eff. 7-29-99;
21 92-16, eff. 6-28-01.)

22 Section 890-28. The Prevailing Wage Act is amended by
23 changing Section 2 as follows:

24 (820 ILCS 130/2) (from Ch. 48, par. 39s-2)

25 Sec. 2. This Act applies to the wages of laborers,
26 mechanics and other workers employed in any public works, as
27 hereinafter defined, by any public body and to anyone under
28 contracts for public works.

29 As used in this Act, unless the context indicates
30 otherwise:

31 "Public works" means all fixed works constructed for
32 public use by any public body, other than work done directly

1 by any public utility company, whether or not done under
2 public supervision or direction, or paid for wholly or in
3 part out of public funds. "Public works" as defined herein
4 includes all projects financed in whole or in part with bonds
5 issued under the Industrial Project Revenue Bond Act (Article
6 11, Division 74 of the Illinois Municipal Code), the
7 Industrial Building Revenue Bond Act, the Illinois
8 Development Finance Authority Act, the Illinois Sports
9 Facilities Authority Act, or the Build Illinois Bond Act, and
10 all projects financed in whole or in part with loans or other
11 funds made available pursuant to the Build Illinois Act.

12 "Construction" means all work on public works involving
13 laborers, workers or mechanics.

14 "Locality" means the county where the physical work upon
15 public works is performed, except (1) that if there is not
16 available in the county a sufficient number of competent
17 skilled laborers, workers and mechanics to construct the
18 public works efficiently and properly, "locality" includes
19 any other county nearest the one in which the work or
20 construction is to be performed and from which such persons
21 may be obtained in sufficient numbers to perform the work and
22 (2) that, with respect to contracts for highway work with the
23 Department of Transportation of this State, "locality" may at
24 the discretion of the Secretary of the Department of
25 Transportation be construed to include two or more adjacent
26 counties from which workers may be accessible for work on
27 such construction.

28 "Public body" means the State or any officer, board or
29 commission of the State or any political subdivision or
30 department thereof, or any institution supported in whole or
31 in part by public funds, authorized by law to construct
32 public works or to enter into any contract for the
33 construction of public works, and includes every county,
34 city, town, village, township, school district, irrigation,

1 utility, reclamation improvement or other district and every
2 other political subdivision, district or municipality of the
3 state whether such political subdivision, municipality or
4 district operates under a special charter or not.

5 The terms "general prevailing rate of hourly wages",
6 "general prevailing rate of wages" or "prevailing rate of
7 wages" when used in this Act mean the hourly cash wages plus
8 fringe benefits for training and apprenticeship programs
9 approved by the U.S. Department of Labor, Bureau of
10 Apprenticeship and Training, health and welfare, insurance,
11 vacations and pensions paid generally, in the locality in
12 which the work is being performed, to employees engaged in
13 work of a similar character on public works.

14 (Source: P.A. 91-105, eff. 1-1-00; 91-935, eff. 6-1-01;
15 92-16, eff. 6-28-01.)

16 Section 890-29. The Transportation Cooperation Act of
17 1971 is amended by changing Section 2 as follows:

18 (5 ILCS 225/2) (from Ch. 111 2/3, par. 602)

19 Sec. 2. For the purposes of this Act:

20 (a) "Railroad passenger service" means any railroad
21 passenger service within the State of Illinois, including the
22 equipment and facilities used in connection therewith, with
23 the exception of the basic system operated by the National
24 Railroad Passenger Corporation pursuant to Title II and
25 Section 403(a) of the Federal Rail Passenger Service Act of
26 1970.

27 (b) "Federal Railroad Corporation" means the National
28 Railroad Passenger Corporation established pursuant to an Act
29 of Congress known as the "Rail Passenger Service Act of
30 1970."

31 (c) "Transportation system" means any and all modes of
32 public transportation within the State, including, but not

1 limited to, transportation of persons or property by rapid
2 transit, rail, bus, and aircraft, and all equipment,
3 facilities and property, real and personal, used in
4 connection therewith.

5 (d) "Carrier" means any corporation, authority,
6 partnership, association, person or district authorized to
7 maintain a transportation system within the State with the
8 exception of the Federal Railroad Corporation.

9 (e) "Units of local government" means cities, villages,
10 incorporated towns, counties, municipalities, townships, and
11 special districts, including any district created pursuant to
12 the "Local Mass Transit District Act", approved July 21,
13 1959, as amended; any Authority created pursuant to the
14 "Metropolitan Transit Authority Act", approved April 12,
15 1945, as amended; and, any authority, commission or other
16 entity which by virtue of an interstate compact approved by
17 Congress is authorized to provide mass transportation.

18 (f) "Universities" means all public institutions of
19 higher education as defined in an "Act creating a Board of
20 Higher Education, defining its powers and duties, making an
21 appropriation therefor, and repealing an Act herein named",
22 approved August 22, 1961, as amended, and all private
23 institutions of higher education as defined in the Illinois
24 Finance Educational-Facilities Authority Act.

25 (g) "Department" means the Illinois Department of
26 Transportation, or such other department designated by law to
27 perform the duties and functions of the Illinois Department
28 of Transportation prior to January 1, 1972.

29 (h) "Association" means any Transportation Service
30 Association created pursuant to Section 4 of this Act.

31 (i) "Contracting Parties" means any units of local
32 government or universities which have associated and joined
33 together pursuant to Section 3 of this Act.

34 (j) "Governing authorities" means (1) the city council

1 or similar legislative body of a city; (2) the board of
2 trustees or similar body of a village or incorporated town;
3 (3) the council of a municipality under the commission form
4 of municipal government; (4) the board of trustees in a
5 township; (5) the Board of Trustees of the University of
6 Illinois, the Board of Trustees of Southern Illinois
7 University, the Board of Trustees of Chicago State
8 University, the Board of Trustees of Eastern Illinois
9 University, the Board of Trustees of Governors State
10 University, the Board of Trustees of Illinois State
11 University, the Board of Trustees of Northeastern Illinois
12 University, the Board of Trustees of Northern Illinois
13 University, the Board of Trustees of Western Illinois
14 University, and the Illinois Community College Board; (6) the
15 county board of a county; and (7) the trustees,
16 commissioners, board members, or directors of a university,
17 special district, authority or similar agency.

18 (Source: P.A. 89-4, eff. 1-1-96.)

19 Section 890-30. The Capital Development Board Act is
20 amended by changing Section 3 as follows:

21 (20 ILCS 3105/3) (from Ch. 127, par. 773)

22 Sec. 3. As used in this Act, unless the context
23 otherwise requires:

24 "Board" means the Capital Development Board.

25 "State agency" means and includes each officer,
26 department, board, commission, institution, body politic and
27 corporate of the State including the Illinois Building
28 Authority, school districts, and any other person expending
29 or encumbering State or federal funds by virtue of an
30 appropriation or other authorization by the General Assembly
31 or federal authorization or grant. Except as otherwise
32 expressly authorized by the General Assembly, the term does

1 not include the Department of Transportation, the Department
2 of Natural Resources, or Environmental Protection Agency,
3 except as respects buildings used by the Department or Agency
4 for its officers, employees, or equipment, or any of them,
5 and for capital improvements related to such buildings. Nor
6 does the term include the Illinois Housing Development
7 Authority, the Illinois Finance Educational Facilities
8 Authority or the St. Louis Metropolitan Area Airport
9 Authority.

10 "School District" means any school district or special
11 charter district as defined in Section 1-3 of "The School
12 Code", approved March 18, 1961, as amended, or any
13 administrative district, or governing board, of a joint
14 agreement organized under Section 10-22.31 of the School
15 Code.

16 (Source: P.A. 89-445, eff. 2-7-96.)

17 Section 890-31. The Higher Education Loan Act is amended
18 by changing the title and Sections 3, 3.01, and 5 as follows:

19 (110 ILCS 945/Act title)

20 An Act relating to the Illinois Finance Educational
21 Facilities Authority and certain of its powers and duties.

22 (Source: P.A. 85-1326.)

23 (110 ILCS 945/3) (from Ch. 144, par. 1603)

24 Sec. 3. Definitions. In this Act, unless the context
25 otherwise requires, the terms specified in Sections 3.01
26 through 3.13 of this Act and ~~Sections 3.01 through 3.09~~ of
27 the Illinois Finance Educational Facilities Authority Act
28 have the meanings ascribed to them in those Acts Sections.

29 (Source: P.A. 88-555, eff. 7-27-94.)

30 (110 ILCS 945/3.01) (from Ch. 144, par. 1603.01)

1 Sec. 3.01. Authority. "Authority" means the Illinois
2 State Finance Educational-Facilities Authority created by the
3 Illinois State Finance Educational-Facilities Authority Act.
4 (Source: P.A. 85-1326.)

5 (110 ILCS 945/5) (from Ch. 144, par. 1605)

6 Sec. 5. Transfer of functions from the Illinois
7 Educational Facilities Independent--Higher--Education--Lean
8 Authority to the Illinois Finance Educational--Facilities
9 Authority. The Illinois Finance Educational--Facilities
10 Authority created by the Illinois Finance Educational
11 Facilities Authority Act shall succeed to, assume and
12 exercise all rights, powers, duties and responsibilities
13 formerly exercised by the Illinois Educational Facilities
14 Independent--Higher--Education--Lean Authority prior to the
15 abolition of that Authority by this amendatory Act of the
16 93rd General Assembly 1988. All books, records, papers,
17 documents and pending business in any way pertaining to the
18 former Illinois Educational Facilities Independent-Higher
19 Education-Lean Authority are transferred to the Illinois
20 State Finance Educational--Facilities Authority, but any
21 rights or obligations of any person under any contract made
22 by, or under any rules, regulations, uniform standards,
23 criteria and guidelines established or approved by, such
24 former Illinois Educational Facilities Independent--Higher
25 Education--Lean Authority shall be unaffected thereby. All
26 bonds, notes or other evidences of indebtedness outstanding
27 on the effective date of this amendatory Act of the 93rd
28 General Assembly 1988 shall be unaffected by the transfer of
29 functions to the Illinois Finance Educational-Facilities
30 Authority. No rule, regulation, standard, criteria or
31 guideline promulgated, established or approved by the former
32 Illinois Educational Facilities Independent-Higher--Education
33 Lean Authority pursuant to an exercise of any right, power,

1 duty or responsibility assumed by and transferred to the
2 Illinois Finance Educational--Facilities Authority shall be
3 affected by this amendatory Act of the 93rd General Assembly
4 1988, and all such rules, regulations, standards, criteria
5 and guidelines shall become those of the Illinois Finance
6 Educational--Facilities Authority until such time as they are
7 amended or repealed by the Authority.

8 (Source: P.A. 85-1326.)

9 Section 890-32. The Rural Diversification Act is amended
10 by changing Sections 2, 3, 4, and 5 as follows:

11 (20 ILCS 690/2) (from Ch. 5, par. 2252)

12 Sec. 2. Findings and declaration of policy. The General
13 Assembly hereby finds, determines and declares:

14 (a) That Illinois is a state of diversified economic
15 strength and that an important economic strength in Illinois
16 is derived from rural business production and the
17 agribusiness industry;

18 (b) That the Illinois rural economy is in a state of
19 transition, which presents a unique opportunity for the State
20 to act on its growth and development;

21 (c) That full and continued growth and development of
22 Illinois' rural economy, especially in the small towns and
23 farm communities, is vital for Illinois;

24 (d) That by encouraging the development of diversified
25 rural business and agricultural production, nonproduction and
26 processing activities in Illinois, the State creates a
27 beneficial climate for new and improved job opportunities for
28 its citizens and expands jobs and job training opportunities;

29 (e) That in order to cultivate strong rural economic
30 growth and development in Illinois, it is necessary to
31 proceed with a plan which encourages Illinois rural
32 businesses and agribusinesses to expand business employment

1 opportunities through diversification of business and
2 industries, offers managerial, technical and financial
3 assistance to or on behalf of rural businesses and
4 agribusiness, and works in a cooperative venture and spirit
5 with Illinois' business, labor, local government, educational
6 and scientific communities;

7 (f) That dedication of State resources over a multi-year
8 period targeted to promoting the growth and development of
9 one or more classes of diversified rural products,
10 particularly new agricultural products, is an effective use
11 of State funds;

12 (g) That the United States Congress, having identified
13 similar needs and purposes has enacted legislation creating
14 the United States Department of Agriculture/Farmers Home
15 Administration Non-profit National Finance Corporations Loan
16 and Grant Program and made funding available to the states
17 consistent with the purposes of this Act.

18 (h) That the Illinois General Assembly has enacted
19 "Rural Revival" and a series of "Harvest the Heartland"
20 initiatives which create within the Illinois Finance Farm
21 Development Authority a "Seed Capital Fund" to provide
22 venture capital for emerging new agribusinesses, and to help
23 coordinate cooperative research and development on new
24 agriculture technologies in conjunction with the Agricultural
25 Research and Development Consortium in Peoria, the United
26 State Department of Agriculture Northern Regional Research
27 Laboratory in Peoria, the institutions of higher learning in
28 Illinois, and the agribusiness community of this State,
29 identify the need for enhanced efforts by the State to
30 promote the use of fuels utilizing ethanol made from Illinois
31 grain, and promote forestry development in this State; and

32 (i) That there is a need to coordinate the many programs
33 offered by the State of Illinois Departments of Agriculture,
34 Commerce and Community Affairs, and Natural Resources, and

1 the Illinois Finance Farm--Development Authority that are
2 targeted to agriculture and the rural community with those
3 offered by the federal government. Therefore it is desirable
4 that the fullest measure of coordination and integration of
5 the programs offered by the various state agencies and the
6 federal government be achieved.

7 (Source: P.A. 89-445, eff. 2-7-96.)

8 (20 ILCS 690/3) (from Ch. 5, par. 2253)

9 Sec. 3. Definitions. The following words and phrases
10 shall have the meaning ascribed to each of them in this
11 Section unless the context clearly indicates otherwise:

12 (a) "Office" means the Office of Rural Community
13 Development within the Illinois Department of Commerce and
14 Community Affairs.

15 (b) "Rural business" means a business, including a
16 cooperative, proprietorship, partnership, corporation or
17 other entity, that is located in a municipality of 20,000
18 population or less, or in an unincorporated area of a county
19 with a population of less than 350,000, but not in a
20 municipality which is contiguous to a municipality or
21 municipalities with a population greater than 20,000. The
22 business must also be engaged in manufacturing, mining,
23 agriculture, wholesale, transportation, tourism, or utilities
24 or in research and development or services to these basic
25 industrial sectors.

26 (c) "Agribusiness", for purpose of this Act, means a
27 rural business that is defined as an agribusiness pursuant to
28 ~~subsection (i) of Section 2 of~~ the Illinois Finance Authority
29 Farm-Development Act.

30 (d) "Rural diversification project" means financing to a
31 rural business for a specific activity undertaken to promote:
32 (i) the improvement and expansion of business and industry in
33 rural areas; (ii) creation of entrepreneurial and

1 self-employment businesses; (iii) industry or region wide
2 research directed to profit oriented uses of rural resources,
3 and (iv) value added agricultural supply, production
4 processing or reprocessing facilities or operations and shall
5 include but not be limited to agricultural diversification
6 projects.

7 (e) "Financing" means direct loans at market or below
8 market rate interest, grants, technical assistance contracts,
9 or other means whereby monetary assistance is provided to or
10 on behalf of rural business or agribusinesses for purposes of
11 rural diversification.

12 (f) "Agricultural diversification project" means
13 financing awarded to a rural business for a specific activity
14 undertaken to promote diversification of the farm economy of
15 this State through (i) profit oriented nonproduction uses of
16 Illinois land resources, (ii) growth and development of new
17 crops or livestock not customarily grown or produced in this
18 State, or (iii) developments which emphasize a vertical
19 integration of grain or livestock produced or raised in this
20 State into a finished product for consumption or use. "New
21 crops or livestock not customarily grown or produced in this
22 State" does not include corn, soybeans, wheat, swine, or beef
23 or dairy cattle. "Vertical integration of grain or livestock
24 produced or raised in this State" includes any new or
25 existing grain or livestock grown or produced in this State.

26 (Source: P.A. 85-180.)

27 (20 ILCS 690/4) (from Ch. 5, par. 2254)

28 Sec. 4. Powers of the Office. The Office has the
29 following powers, in addition to those granted to it by other
30 law:

31 (a) To provide financing pursuant to the provisions of
32 this Act, from appropriations made by the General Assembly
33 from the General Revenue Fund, Federal trust funds, and the

1 Rural Diversification Revolving Fund created herein, to or on
2 behalf of rural business and agribusiness to promote rural
3 diversification.

4 (b) To provide financing in the form of direct loans and
5 grants from State funds for qualifying agricultural and rural
6 diversification projects independent of federal financial
7 participation, except that no grants from State funds shall
8 be made directly with a rural business.

9 (c) To provide financing in the form of direct loans,
10 grants, and technical assistance contracts from State funds
11 for qualifying agricultural and rural diversification
12 projects in coordination with federal financial participation
13 in the form of loan guarantees, direct loans, and grant and
14 technical assistance contract reimbursements.

15 (d) To consider in the award of State funded financing
16 the satisfaction of matching requirements associated with
17 federal financing participation and the maximization of
18 federal financing participation to the benefit of the rural
19 Illinois economy.

20 (e) To enter into agreements or contracts, accept funds
21 or grants, and cooperate with agencies of the Federal
22 Government, State or Local Governments, the private sector or
23 non-profit organizations to carry out the purposes of this
24 Act;

25 (f) To enter into agreements or contracts for the
26 promotion, application origination, analysis or servicing of
27 the financings made by the Office pursuant to this Act;

28 (g) To receive and accept, from any source, aid or
29 contributions of money, property or labor for the furtherance
30 of this Act and collect fees, charges or advances as the
31 Department may determine in connection with its financing;

32 (h) To establish application, notification, contract and
33 other procedures and other procedures and rules deemed
34 necessary and appropriate by the Office to carry out the

1 provisions of this Act;

2 (i) To foreclose any mortgage, deed of trust, note,
3 debenture, bond or other security interest held by the Office
4 and to take all such actions as may be necessary to enforce
5 any obligation held by the Office;

6 (j) To analyze opportunities and needs of rural
7 communities, primarily those communities experiencing farm
8 worker distress including consultation with regional
9 commissions, governments, or diversification organizations,
10 and work to strengthen the coordination of existing programs
11 offered through the Office, the Department of Agriculture,
12 the Department of Natural Resources, the Illinois Finance
13 Farm-Development Authority, the Cooperative Extension Service
14 and others for rural and agribusiness development and
15 assistance; and

16 (k) To cooperate with an existing committee comprised of
17 representatives from the Office, the Rural Affairs Council or
18 its successor, the Department of Agriculture, the Illinois
19 Finance Farm-Development Authority and others to coordinate
20 departmental policies with other State agencies and to
21 promote agricultural and rural diversification in the State.

22 (l) To exercise such other right, powers and duties as
23 are necessary to fulfill the purposes of this Act.

24 (Source: P.A. 89-445, eff. 2-7-96.)

25 (20 ILCS 690/5) (from Ch. 5, par. 2255)

26 Sec. 5. Agricultural and rural diversification
27 financing. (a) The Office's financing to or on behalf of
28 rural businesses or agribusinesses in the State shall be for
29 the purpose of assisting in the cost of agricultural and
30 rural diversification projects including (i) acquisition,
31 construction, reconstruction, replacement, repair,
32 rehabilitation, alteration, expansion or extension of real
33 property, buildings or machinery and equipment but not the

1 acquisition of unimproved land for the production of crops or
2 livestock; (ii) working capital items including but not
3 limited to, inventory, accounts receivable and prepaid
4 expenses; (iii) organizational expenses including, but not
5 limited to, architectural and engineering costs, legal
6 services, marketing analyses, production analyses, or other
7 professional services; (iv) needed leasehold improvements,
8 easements, and other amenities required to prepare a site;
9 (v) information, technical support and technical assistance
10 contracts to local officials or not-for-profit agencies
11 regarding private, state and federal resources, programs or
12 grant assistances and the needs and opportunities for
13 diversification; and (vi) when conducted in cooperation with
14 federal reimbursement programs, financing costs including
15 guarantee fees, packaging fees and origination fees but not
16 debt refinancing.

17 (b) Agricultural or rural diversification financing to a
18 rural business or agribusiness under this Act shall be used
19 only where it can be shown that the agricultural or rural
20 diversification project for which financing is being sought
21 has the potential to achieve commercial success and will
22 increase employment, directly or indirectly retain jobs, or
23 promote local diversification.

24 (c) The Office shall establish an internal review
25 committee with the Director of the Rural Affairs Council, or
26 his designee, the Director of the Department of Agriculture,
27 or his designee, and the Director of the Illinois Finance
28 Farm--Development Authority, or his designee, as members to
29 assist in the review of all project applications.

30 (d) The Office shall not provide financing to a rural
31 business or agribusiness unless the application includes
32 convincing evidence that a specific agricultural or rural
33 diversification project is ready to occur and will only occur
34 if the financing is made. The Office shall also consider the

1 applicability of other state and federal programs prior to
2 financing any project.

3 (Source: P.A. 85-180.)

4 Section 890-33. The Emergency Farm Credit Allocation Act
5 is amended by changing Sections 3 and 4 as follows:

6 (20 ILCS 3610/3) (from Ch. 5, par. 1253)

7 Sec. 3. As used in this Act unless the context otherwise
8 requires:

9 (a) "Applicant" means an Illinois farmer applying for an
10 operating loan.

11 (b) "Operating loan" means a loan to an applicant in
12 connection with cultivating the soil, or in connection with
13 raising or harvesting any agricultural or horticultural
14 commodity, including the raising, feeding and management of
15 livestock or poultry on a farm of which the applicant is the
16 owner, tenant, or operator, for the current year's operating
17 expenses.

18 (c) "Lender" means any federal or State chartered bank,
19 federal land bank, production credit association, bank for
20 cooperatives, federal or State chartered savings and loan
21 association or building and loan association, business
22 investment company or any other institution qualified within
23 this State to originate and service loans, including, but
24 without limitation to, insurance companies, credit unions and
25 mortgage loan companies.

26 (d) "Payment adjustment" means an amount of money equal
27 to one-half of the total interest payable on the principal of
28 the operating loan.

29 (e) "Authority" means the Illinois Finance ~~Farm~~
30 ~~Development~~ Authority.

31 (f) "Asset" shall include, but not be limited to the
32 following: cash crops or feed on hand; livestock held for

1 sale; breeding stock; marketable bonds and securities;
2 securities not readily marketable; accounts receivable; notes
3 receivable; cash invested in growing crops; net cash value of
4 life insurance; machinery and equipment; cars and trucks;
5 farm and other real estate including life estates and
6 personal residence; value of beneficial interests in trusts;
7 government payments or grants; and any other assets.

8 (g) "Liability" shall include, but not be limited to the
9 following: accounts payable; notes or other indebtedness owed
10 to any source; taxes; rent; amounts owed on real estate
11 contracts or real estate mortgages; judgments; accrued
12 interest payable; and any other liability.

13 (h) "Debt to asset ratio" means the current outstanding
14 liabilities of the farmer divided by the current outstanding
15 assets of the farmer.

16 (Source: P.A. 84-1; 84-1106.)

17 (20 ILCS 3610/4) (from Ch. 5, par. 1254)

18 Sec. 4. There is hereby created a payment adjustment
19 program to be administered by the Illinois Finance Farm
20 Development Authority. The Authority shall have the authority
21 to promulgate and adopt rules and regulations which are
22 consistent with this Act. The Authority may impose a minimal
23 fee to cover the costs of administering the program. On or
24 before May 1 of each of the next six years, or until all
25 repayments have been received on payment adjustments, the
26 Authority shall submit a report to the General Assembly and
27 the Governor concerning the status of the payment adjustment
28 program. The Authority shall grant no payment adjustments
29 after June 15, 1986.

30 (Source: P.A. 84-1; 84-1106.)

31 Section 890-34. The Build Illinois Act is amended by
32 changing Section 8-3 as follows:

1 (30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

2 Sec. 8-3. Powers of the Department. The Department has
3 the power to:

4 (a) provide business development public infrastructure
5 loans or grants from appropriations from the Build Illinois
6 Bond Fund, the Build Illinois Purposes Fund, the Fund for
7 Illinois' Future, and the Public Infrastructure Construction
8 Loan Fund to local governments to provide or improve a
9 community's public infrastructure so as to create or retain
10 private sector jobs pursuant to the provisions of this
11 Article;

12 (b) provide affordable financing of public
13 infrastructure loans and grants to, or on behalf of, local
14 governments, local public entities, medical facilities, and
15 public health clinics from appropriations from the Public
16 Infrastructure Construction Loan Fund for the purpose of
17 assisting with the financing, or application and access to
18 financing, of a community's public infrastructure necessary
19 to health, safety, and economic development;

20 (c) enter into agreements, accept funds or grants, and
21 engage in cooperation with agencies of the federal
22 government, or state or local governments to carry out the
23 purposes of this Article, and to use funds appropriated
24 pursuant to this Article to participate in federal
25 infrastructure loan and grant programs upon such terms and
26 conditions as may be established by the federal government;

27 (d) establish application, notification, contract, and
28 other procedures, rules, or regulations deemed necessary and
29 appropriate to carry out the provisions of this Article;

30 (e) coordinate assistance under this program with
31 activities of the Illinois Development Finance Authority in
32 order to maximize the effectiveness and efficiency of State
33 development programs;

34 (f) coordinate assistance under the Affordable Financing

1 of Public Infrastructure Loan and Grant Program with the
2 activities of the Illinois Development Finance Authority,
3 Illinois Rural Bond Bank, Illinois Finance Farm-Development
4 Authority, Illinois Housing Development Authority, Illinois
5 Environmental Protection Agency, and other federal and State
6 programs and entities providing financing assistance to
7 communities for public health, safety, and economic
8 development infrastructure;

9 (f-5) provide staff, administration, and related support
10 required to manage the programs authorized under this Article
11 and pay for the staffing, administration, and related support
12 from the Public Infrastructure Construction Loan Revolving
13 Fund;

14 (g) exercise such other powers as are necessary or
15 incidental to the foregoing.

16 (Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

17 Section 890-35. The Livestock Management Facilities Act
18 is amended by changing Section 17 as follows:

19 (510 ILCS 77/17)

20 Sec. 17. Financial responsibility. Owners of new or
21 modified lagoons registered under the provisions of this Act
22 shall establish and maintain evidence of financial
23 responsibility to provide for the closure of the lagoons and
24 the proper disposal of their contents within the time
25 provisions outlined in this Act. Financial responsibility
26 may be evidenced by any combination of the following:

- 27 (1) Commercial or private insurance;
- 28 (2) Guarantee;
- 29 (3) Surety bond;
- 30 (4) Letter of credit;
- 31 (5) Certificate of Deposit or designated savings
32 account;

1 (6) Participation in a livestock waste lagoon closure
2 fund managed by the Illinois Finance Farm--Development
3 Authority.

4 The level of surety required shall be determined by rule
5 and be based upon the volumetric capacity of the lagoon.
6 Surety instruments required under this Section shall be
7 required after the effective date of rules adopted for the
8 implementation of this Act.

9 (Source: P.A. 89-456, eff. 5-21-96; 90-565, eff. 6-1-98.)

10 Section 890-36. The Illinois Forestry Development Act is
11 amended by changing Sections 4 and 6a as follows:

12 (525 ILCS 15/4) (from Ch. 96 1/2, par. 9104)

13 Sec. 4. The Department shall: (a) Implement the forestry
14 development cost share program created by Section 5 of this
15 Act and coordinate with the United States Department of
16 Agriculture - Soil Conservation Service and the Agricultural
17 Stabilization and Conservation Service in the administration
18 of such program.

19 (b) Approve acceptable forestry management plans as
20 required by Section 5 of this Act.

21 (c) Provide assistance to the Illinois Council on
22 Forestry Development.

23 (d) Promote the development of an active forestry
24 industry in this State by providing information to timber
25 growers relating to acceptable management practices,
26 suitability of various kinds of timber to various land types,
27 marketability of various types of timber, market strategies
28 including marketing cooperatives, availability of State and
29 federal government assistance, soil and water conservation
30 benefits, and wildlife habitat enhancement opportunities.

31 (e) Provide any aid or information requested by the
32 Illinois Finance Farm--Development Authority in relation to

1 forestry industry assistance programs implemented under the
2 "Illinois Finance Authority Farm-Development Act".
3 (Source: P.A. 86-779.)

4 (525 ILCS 15/6a) (from Ch. 96 1/2, par. 9106a)
5 (Section scheduled to be repealed on December 31, 2008)
6 Sec. 6a. Illinois Forestry Development Council.

7 (a) The Illinois Forestry Development Council is hereby
8 re-created by this amendatory Act of the 91st General
9 Assembly.

10 (b) The Council shall consist of 24 members appointed as
11 follows:

12 (1) four members of the General Assembly, one
13 appointed by the President of the Senate, one appointed
14 by the Senate Minority Leader, one appointed by the
15 Speaker of the House of Representatives, and one
16 appointed by the House Minority Leader;

17 (2) one member appointed by the Governor to
18 represent the Governor;

19 (3) the Directors of the Departments of Natural
20 Resources, Agriculture, and Commerce and Community
21 Affairs, the Executive Director of the Illinois Finance
22 Farm--Development Authority, and the Director of the
23 Office of Rural Affairs, or their designees;

24 (4) the chairman of the Department of Forestry or a
25 forestry academician, appointed by the Dean of
26 Agriculture at Southern Illinois University at
27 Carbondale;

28 (5) the head of the Department of Natural Resources
29 and Environmental Sciences or a forestry academician,
30 appointed by the Dean of Agriculture at the University of
31 Illinois;

32 (6) two members, appointed by the Governor, who
33 shall be private timber growers;

1 (7) one member, appointed by the president of the
2 Illinois Wood Products Association, who shall be involved
3 in primary forestry industry;

4 (8) one member, appointed by the president of the
5 Illinois Wood Products Association, who shall be involved
6 in secondary forestry industry;

7 (9) one member who is actively involved in
8 environmental issues, appointed by the Governor;

9 (10) the president of the Association of Illinois
10 Soil and Water Conservation Districts;

11 (11) two persons who are actively engaged in
12 farming, appointed by the Governor;

13 (12) one member, appointed by the Governor, whose
14 primary area of expertise is urban forestry;

15 (13) one member appointed by the President of the
16 Illinois Arborists Association;

17 (14) the Supervisor of the Shawnee National Forest
18 and the United States Department of Agriculture Natural
19 Resource Conservation Service's State Conservationist, ex
20 officio, or their designees.

21 (c) Members of the Council shall serve without
22 compensation but shall be reimbursed for actual expenses
23 incurred in the performance of their duties which are not
24 otherwise reimbursed.

25 (d) The Council shall select from its membership a
26 chairperson and such other officers as it considers
27 necessary.

28 (e) Other individuals, agencies and organizations may be
29 invited to participate as deemed advisable by the Council.

30 (f) The Council shall study and evaluate the forestry
31 resources and forestry industry of Illinois. The Council
32 shall:

33 (1) determine the magnitude, nature and extent of
34 the State's forestry resources;

1 (2) determine current uses and project future
2 demand for forest products, services and benefits in
3 Illinois;

4 (3) determine and evaluate the ownership
5 characteristics of the State's forests, the motives for
6 forest ownership and the success of incentives necessary
7 to stimulate development of forest resources;

8 (4) determine the economic development and
9 management opportunities that could result from
10 improvements in local and regional forest product
11 marketing and from the establishment of new or additional
12 wood-related businesses in Illinois;

13 (5) confer with and offer assistance to the
14 Illinois Finance Farm-Development Authority relating to
15 its implementation of forest industry assistance programs
16 authorized by the Illinois Finance Authority Farm
17 Development Act;

18 (6) determine the opportunities for increasing
19 employment and economic growth through development of
20 forest resources;

21 (7) determine the effect of current governmental
22 policies and regulations on the management of woodlands
23 and the location of wood products markets;

24 (8) determine the staffing and funding needs for
25 forestry and other conservation programs to support and
26 enhance forest resources development;

27 (9) determine the needs of forestry education
28 programs in this State;

29 (10) confer with and offer assistance to the
30 Department of Natural Resources relating to the
31 implementation of urban forestry assistance grants
32 pursuant to the Urban and Community Forestry Assistance
33 Act; and

34 (11) determine soil and water conservation benefits

1 and wildlife habitat enhancement opportunities that can
2 be promoted through approved forestry management plans.

3 (g) The Council shall report (i) its findings and
4 recommendations for future State action and (ii) its
5 evaluation of Urban/Community Forestry Assistance Grants to
6 the General Assembly no later than July 1 of each year.

7 (h) This Section 6a is repealed December 31, 2008.

8 (Source: P.A. 90-809, eff. 12-31-98; 91-157, eff. 7-16-99.)

9 Section 890-37. The Public Funds Investment Act is
10 amended by changing Section 6 as follows:

11 (30 ILCS 235/6) (from Ch. 85, par. 906)

12 Sec. 6. Report of financial institutions.

13 (a) No bank shall receive any public funds unless it has
14 furnished the corporate authorities of a public agency
15 submitting a deposit with copies of the last two sworn
16 statements of resources and liabilities which the bank is
17 required to furnish to the Commissioner of Banks and Real
18 Estate or to the Comptroller of the Currency. Each bank
19 designated as a depository for public funds shall, while
20 acting as such depository, furnish the corporate authorities
21 of a public agency with a copy of all statements of resources
22 and liabilities which it is required to furnish to the
23 Commissioner of Banks and Real Estate or to the Comptroller
24 of the Currency; provided, that if such funds or moneys are
25 deposited in a bank, the amount of all such deposits not
26 collateralized or insured by an agency of the federal
27 government shall not exceed 75% of the capital stock and
28 surplus of such bank, and the corporate authorities of a
29 public agency submitting a deposit shall not be discharged
30 from responsibility for any funds or moneys deposited in any
31 bank in excess of such limitation.

32 (b) No savings bank or savings and loan association

1 shall receive public funds unless it has furnished the
2 corporate authorities of a public agency submitting a deposit
3 with copies of the last 2 sworn statements of resources and
4 liabilities which the savings bank or savings and loan
5 association is required to furnish to the Commissioner of
6 Banks and Real Estate or the Federal Deposit Insurance
7 Corporation. Each savings bank or savings and loan
8 association designated as a depository for public funds
9 shall, while acting as such depository, furnish the corporate
10 authorities of a public agency with a copy of all statements
11 of resources and liabilities which it is required to furnish
12 to the Commissioner of Banks and Real Estate or the Federal
13 Deposit Insurance Corporation; provided, that if such funds
14 or moneys are deposited in a savings bank or savings and loan
15 association, the amount of all such deposits not
16 collateralized or insured by an agency of the federal
17 government shall not exceed 75% of the net worth of such
18 savings bank or savings and loan association as defined by
19 the Federal Deposit Insurance Corporation, and the corporate
20 authorities of a public agency submitting a deposit shall not
21 be discharged from responsibility for any funds or moneys
22 deposited in any savings bank or savings and loan association
23 in excess of such limitation.

24 (c) No credit union shall receive public funds unless it
25 has furnished the corporate authorities of a public agency
26 submitting a share deposit with copies of the last two
27 reports of examination prepared by or submitted to the
28 Illinois Department of Financial Institutions or the National
29 Credit Union Administration. Each credit union designated as
30 a depository for public funds shall, while acting as such
31 depository, furnish the corporate authorities of a public
32 agency with a copy of all reports of examination prepared by
33 or furnished to the Illinois Department of Financial
34 Institutions or the National Credit Union Administration;

1 provided that if such funds or moneys are invested in a
2 credit union account, the amount of all such investments not
3 collateralized or insured by an agency of the federal
4 government or other approved share insurer shall not exceed
5 50% of the unimpaired capital and surplus of such credit
6 union, which shall include shares, reserves and undivided
7 earnings and the corporate authorities of a public agency
8 making an investment shall not be discharged from
9 responsibility for any funds or moneys invested in a credit
10 union in excess of such limitation.

11 (d) Whenever a public agency deposits any public funds
12 in a financial institution, the public agency may enter into
13 an agreement with the financial institution requiring any
14 funds not insured by the Federal Deposit Insurance
15 Corporation or the National Credit Union Administration or
16 other approved share insurer to be collateralized by
17 securities, mortgages, letters of credit issued by a Federal
18 Home Loan Bank, or loans covered by a State Guaranty under
19 the Illinois Finance Authority Farm-Development Act in an
20 amount equal to at least market value of that amount of funds
21 deposited exceeding the insurance limitation provided by the
22 Federal Deposit Insurance Corporation or the National Credit
23 Union Administration or other approved share insurer.

24 (e) Paragraphs (a), (b), (c), and (d) of this Section do
25 not apply to the University of Illinois, Southern Illinois
26 University, Chicago State University, Eastern Illinois
27 University, Governors State University, Illinois State
28 University, Northeastern Illinois University, Northern
29 Illinois University, Western Illinois University, the
30 Cooperative Computer Center and public community colleges.

31 (Source: P.A. 91-324, eff. 1-1-00; 91-773, eff. 6-9-00.)

32 Section 890-38. The Children and Family Services Act is
33 amended by changing Section 22.4 as follows:

1 (20 ILCS 505/22.4) (from Ch. 23, par. 5022.4)

2 Sec. 22.4. Low-interest loans for child care facilities;
3 Department of Human Services. The Department of Human
4 Services may establish, with financing to be provided through
5 the issuance of bonds by the Illinois Finance Health
6 ~~Faeilities~~ Authority pursuant to the Illinois Finance Health
7 ~~Faeilities~~ Authority Act, ~~as--new--er--hereafter--amended,~~ a
8 low-interest loan program to help child care centers and
9 family day care homes accomplish the following:

10 (a) establish a child care program;

11 (b) meet federal, State and local child care
12 standards as well as any applicable health and safety
13 standards; or

14 (c) build facilities or renovate or expand existing
15 facilities.

16 Such loans shall be available only to child care centers
17 and family day care homes serving children of low income
18 families.

19 (Source: P.A. 89-507, eff. 7-1-97.)

20 Section 890-39. The Energy Conservation and Coal
21 Development Act is amended by changing Section 15 as follows:

22 (20 ILCS 1105/15) (from Ch. 96 1/2, par. 7415)

23 Sec. 15. (a) The Department, in cooperation with the
24 Illinois Development Finance Authority, shall establish a
25 program to assist units of local government, as defined in
26 the Illinois Development Finance Authority Act, to identify
27 and arrange financing for energy conservation projects for
28 buildings and facilities owned or leased by those units of
29 local government.

30 (b) The Department, in cooperation with the Illinois
31 Finance Health--~~Faeilities~~ Authority, shall establish a
32 program to assist health facilities to identify and arrange

1 financing for energy conservation projects for buildings and
2 facilities owned or leased by those health facilities.
3 (Source: P.A. 87-852; 88-45.)

4 Section 890-40. The Illinois Public Aid Code is amended
5 by changing Sections 11-3 and 11-3.3 as follows:

6 (305 ILCS 5/11-3) (from Ch. 23, par. 11-3)

7 Sec. 11-3. Assignment and attachment of aid prohibited.
8 Except as provided below in this Section and in Section
9 11-3.3, all financial aid given under Articles III, IV, V,
10 and VI and money payments for child care services provided by
11 a child care provider under Articles IX and IXA shall not be
12 subject to assignment, sale, attachment, garnishment, or
13 otherwise. Provided, however, that a medical vendor may use
14 his right to receive vendor payments as collateral for loans
15 from financial institutions so long as such arrangements do
16 not constitute any activity prohibited under Section
17 1902(a)(32) of the Social Security Act and regulations
18 promulgated thereunder, or any other applicable laws or
19 regulations. Provided further, however, that a medical or
20 other vendor or a service provider may assign, reassign,
21 sell, pledge or grant a security interest in any such
22 financial aid, vendor payments or money payments or grants
23 which he has a right to receive to the Illinois Finance
24 Health-Facilities Authority, in connection with any financing
25 program undertaken by the Illinois Finance Health-Facilities
26 Authority, or to the Illinois Development Finance Authority,
27 in connection with any financing program undertaken by the
28 Illinois Development Finance Authority. Each Authority may
29 utilize a trustee or agent to accept, accomplish, effectuate
30 or realize upon any such assignment, reassignment, sale,
31 pledge or grant on that Authority's behalf. Provided further,
32 however, that nothing herein shall prevent the Illinois

1 Department from collecting any assessment, fee, interest or
2 penalty due under Article V-A, V-B, V-C, or V-E by
3 withholding financial aid as payment of such assessment, fee,
4 interest, or penalty. Any alienation in contravention of this
5 statute does not diminish and does not affect the validity,
6 legality or enforceability of any underlying obligations for
7 which such alienation may have been made as collateral
8 between the parties to the alienation. This amendatory Act
9 shall be retroactive in application and shall pertain to
10 obligations existing prior to its enactment.

11 (Source: P.A. 92-111, eff. 1-1-02.)

12 (305 ILCS 5/11-3.3) (from Ch. 23, par. 11-3.3)

13 Sec. 11-3.3. Payment to provider or governmental agency
14 or entity. Payments under this Code shall be made to the
15 provider, except that the Department may issue or may agree
16 to issue the payment directly to the Illinois Finance Health
17 Facilities Authority, the Illinois Development Finance
18 Authority, or any other governmental agency or entity,
19 including any bond trustee for that agency or entity, to whom
20 the provider has assigned, reassigned, sold, pledged or
21 granted a security interest in the payments that the provider
22 has a right to receive, provided that the issuance or
23 agreement to issue is not prohibited under Section
24 1902(a)(32) of the Social Security Act.

25 (Source: P.A. 87-842.)

26 Section 890-41. The AIDS Confidentiality Act is amended
27 by changing Section 3 as follows:

28 (410 ILCS 305/3) (from Ch. 111 1/2, par. 7303)

29 Sec. 3. When used in this Act:

30 (a) "Department" means the Illinois Department of Public
31 Health.

1 (b) "AIDS" means acquired immunodeficiency syndrome.

2 (c) "HIV" means the Human Immunodeficiency Virus or any
3 other identified causative agent of AIDS.

4 (d) "Written informed consent" means an agreement in
5 writing executed by the subject of a test or the subject's
6 legally authorized representative without undue inducement or
7 any element of force, fraud, deceit, duress or other form of
8 constraint or coercion, which entails at least the following:

9 (1) a fair explanation of the test, including its
10 purpose, potential uses, limitations and the meaning of its
11 results; and

12 (2) a fair explanation of the procedures to be followed,
13 including the voluntary nature of the test, the right to
14 withdraw consent to the testing process at any time, the
15 right to anonymity to the extent provided by law with respect
16 to participation in the test and disclosure of test results,
17 and the right to confidential treatment of information
18 identifying the subject of the test and the results of the
19 test, to the extent provided by law.

20 (e) "Health facility" means a hospital, nursing home,
21 blood bank, blood center, sperm bank, or other health care
22 institution, including any "health facility" as that term is
23 defined in the Illinois Finance Health--Facilities Authority
24 Act.

25 (f) "Health care provider" means any physician, nurse,
26 paramedic, psychologist or other person providing medical,
27 nursing, psychological, or other health care services of any
28 kind.

29 (g) "Test" or "HIV test" means a test to determine the
30 presence of the antibody or antigen to HIV, or of HIV
31 infection.

32 (h) "Person" includes any natural person, partnership,
33 association, joint venture, trust, governmental entity,
34 public or private corporation, health facility or other legal

1 entity.

2 (Source: P.A. 85-677; 85-679.)

3 Section 890-42. The State Employees Group Insurance Act
4 of 1971 is amended by changing Section 3 as follows:

5 (5 ILCS 375/3) (from Ch. 127, par. 523)

6 Sec. 3. Definitions. Unless the context otherwise
7 requires, the following words and phrases as used in this Act
8 shall have the following meanings. The Department may define
9 these and other words and phrases separately for the purpose
10 of implementing specific programs providing benefits under
11 this Act.

12 (a) "Administrative service organization" means any
13 person, firm or corporation experienced in the handling of
14 claims which is fully qualified, financially sound and
15 capable of meeting the service requirements of a contract of
16 administration executed with the Department.

17 (b) "Annuitant" means (1) an employee who retires, or
18 has retired, on or after January 1, 1966 on an immediate
19 annuity under the provisions of Articles 2, 14, 15 (including
20 an employee who has retired under the optional retirement
21 program established under Section 15-158.2), paragraphs (2),
22 (3), or (5) of Section 16-106, or Article 18 of the Illinois
23 Pension Code; (2) any person who was receiving group
24 insurance coverage under this Act as of March 31, 1978 by
25 reason of his status as an annuitant, even though the annuity
26 in relation to which such coverage was provided is a
27 proportional annuity based on less than the minimum period of
28 service required for a retirement annuity in the system
29 involved; (3) any person not otherwise covered by this Act
30 who has retired as a participating member under Article 2 of
31 the Illinois Pension Code but is ineligible for the
32 retirement annuity under Section 2-119 of the Illinois

1 Pension Code; (4) the spouse of any person who is receiving a
2 retirement annuity under Article 18 of the Illinois Pension
3 Code and who is covered under a group health insurance
4 program sponsored by a governmental employer other than the
5 State of Illinois and who has irrevocably elected to waive
6 his or her coverage under this Act and to have his or her
7 spouse considered as the "annuitant" under this Act and not
8 as a "dependent"; or (5) an employee who retires, or has
9 retired, from a qualified position, as determined according
10 to rules promulgated by the Director, under a qualified local
11 government or a qualified rehabilitation facility or a
12 qualified domestic violence shelter or service. (For
13 definition of "retired employee", see (p) post).

14 (b-5) "New SERS annuitant" means a person who, on or
15 after January 1, 1998, becomes an annuitant, as defined in
16 subsection (b), by virtue of beginning to receive a
17 retirement annuity under Article 14 of the Illinois Pension
18 Code, and is eligible to participate in the basic program of
19 group health benefits provided for annuitants under this Act.

20 (b-6) "New SURS annuitant" means a person who (1) on or
21 after January 1, 1998, becomes an annuitant, as defined in
22 subsection (b), by virtue of beginning to receive a
23 retirement annuity under Article 15 of the Illinois Pension
24 Code, (2) has not made the election authorized under Section
25 15-135.1 of the Illinois Pension Code, and (3) is eligible to
26 participate in the basic program of group health benefits
27 provided for annuitants under this Act.

28 (b-7) "New TRS State annuitant" means a person who, on
29 or after July 1, 1998, becomes an annuitant, as defined in
30 subsection (b), by virtue of beginning to receive a
31 retirement annuity under Article 16 of the Illinois Pension
32 Code based on service as a teacher as defined in paragraph
33 (2), (3), or (5) of Section 16-106 of that Code, and is
34 eligible to participate in the basic program of group health

1 benefits provided for annuitants under this Act.

2 (c) "Carrier" means (1) an insurance company, a
3 corporation organized under the Limited Health Service
4 Organization Act or the Voluntary Health Services Plan Act, a
5 partnership, or other nongovernmental organization, which is
6 authorized to do group life or group health insurance
7 business in Illinois, or (2) the State of Illinois as a
8 self-insurer.

9 (d) "Compensation" means salary or wages payable on a
10 regular payroll by the State Treasurer on a warrant of the
11 State Comptroller out of any State, trust or federal fund, or
12 by the Governor of the State through a disbursing officer of
13 the State out of a trust or out of federal funds, or by any
14 Department out of State, trust, federal or other funds held
15 by the State Treasurer or the Department, to any person for
16 personal services currently performed, and ordinary or
17 accidental disability benefits under Articles 2, 14, 15
18 (including ordinary or accidental disability benefits under
19 the optional retirement program established under Section
20 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
21 Article 18 of the Illinois Pension Code, for disability
22 incurred after January 1, 1966, or benefits payable under the
23 Workers' Compensation or Occupational Diseases Act or
24 benefits payable under a sick pay plan established in
25 accordance with Section 36 of the State Finance Act.
26 "Compensation" also means salary or wages paid to an employee
27 of any qualified local government or qualified rehabilitation
28 facility or a qualified domestic violence shelter or service.

29 (e) "Commission" means the State Employees Group
30 Insurance Advisory Commission authorized by this Act.
31 Commencing July 1, 1984, "Commission" as used in this Act
32 means the Illinois Economic and Fiscal Commission as
33 established by the Legislative Commission Reorganization Act
34 of 1984.

1 (f) "Contributory", when referred to as contributory
2 coverage, shall mean optional coverages or benefits elected
3 by the member toward the cost of which such member makes
4 contribution, or which are funded in whole or in part through
5 the acceptance of a reduction in earnings or the foregoing of
6 an increase in earnings by an employee, as distinguished from
7 noncontributory coverage or benefits which are paid entirely
8 by the State of Illinois without reduction of the member's
9 salary.

10 (g) "Department" means any department, institution,
11 board, commission, officer, court or any agency of the State
12 government receiving appropriations and having power to
13 certify payrolls to the Comptroller authorizing payments of
14 salary and wages against such appropriations as are made by
15 the General Assembly from any State fund, or against trust
16 funds held by the State Treasurer and includes boards of
17 trustees of the retirement systems created by Articles 2, 14,
18 15, 16 and 18 of the Illinois Pension Code. "Department"
19 also includes the Illinois Comprehensive Health Insurance
20 Board, the Board of Examiners established under the Illinois
21 Public Accounting Act, and the Illinois Finance Authority
22 Rural-Bond-Bank.

23 (h) "Dependent", when the term is used in the context of
24 the health and life plan, means a member's spouse and any
25 unmarried child (1) from birth to age 19 including an adopted
26 child, a child who lives with the member from the time of the
27 filing of a petition for adoption until entry of an order of
28 adoption, a stepchild or recognized child who lives with the
29 member in a parent-child relationship, or a child who lives
30 with the member if such member is a court appointed guardian
31 of the child, or (2) age 19 to 23 enrolled as a full-time
32 student in any accredited school, financially dependent upon
33 the member, and eligible to be claimed as a dependent for
34 income tax purposes, or (3) age 19 or over who is mentally or

1 physically handicapped. For the health plan only, the term
2 "dependent" also includes any person enrolled prior to the
3 effective date of this Section who is dependent upon the
4 member to the extent that the member may claim such person as
5 a dependent for income tax deduction purposes; no other such
6 person may be enrolled. For the health plan only, the term
7 "dependent" also includes any person who has received after
8 June 30, 2000 an organ transplant and who is financially
9 dependent upon the member and eligible to be claimed as a
10 dependent for income tax purposes.

11 (i) "Director" means the Director of the Illinois
12 Department of Central Management Services.

13 (j) "Eligibility period" means the period of time a
14 member has to elect enrollment in programs or to select
15 benefits without regard to age, sex or health.

16 (k) "Employee" means and includes each officer or
17 employee in the service of a department who (1) receives his
18 compensation for service rendered to the department on a
19 warrant issued pursuant to a payroll certified by a
20 department or on a warrant or check issued and drawn by a
21 department upon a trust, federal or other fund or on a
22 warrant issued pursuant to a payroll certified by an elected
23 or duly appointed officer of the State or who receives
24 payment of the performance of personal services on a warrant
25 issued pursuant to a payroll certified by a Department and
26 drawn by the Comptroller upon the State Treasurer against
27 appropriations made by the General Assembly from any fund or
28 against trust funds held by the State Treasurer, and (2) is
29 employed full-time or part-time in a position normally
30 requiring actual performance of duty during not less than 1/2
31 of a normal work period, as established by the Director in
32 cooperation with each department, except that persons elected
33 by popular vote will be considered employees during the
34 entire term for which they are elected regardless of hours

1 devoted to the service of the State, and (3) except that
2 "employee" does not include any person who is not eligible by
3 reason of such person's employment to participate in one of
4 the State retirement systems under Articles 2, 14, 15 (either
5 the regular Article 15 system or the optional retirement
6 program established under Section 15-158.2) or 18, or under
7 paragraph (2), (3), or (5) of Section 16-106, of the Illinois
8 Pension Code, but such term does include persons who are
9 employed during the 6 month qualifying period under Article
10 14 of the Illinois Pension Code. Such term also includes any
11 person who (1) after January 1, 1966, is receiving ordinary
12 or accidental disability benefits under Articles 2, 14, 15
13 (including ordinary or accidental disability benefits under
14 the optional retirement program established under Section
15 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
16 Article 18 of the Illinois Pension Code, for disability
17 incurred after January 1, 1966, (2) receives total permanent
18 or total temporary disability under the Workers' Compensation
19 Act or Occupational Disease Act as a result of injuries
20 sustained or illness contracted in the course of employment
21 with the State of Illinois, or (3) is not otherwise covered
22 under this Act and has retired as a participating member
23 under Article 2 of the Illinois Pension Code but is
24 ineligible for the retirement annuity under Section 2-119 of
25 the Illinois Pension Code. However, a person who satisfies
26 the criteria of the foregoing definition of "employee" except
27 that such person is made ineligible to participate in the
28 State Universities Retirement System by clause (4) of
29 subsection (a) of Section 15-107 of the Illinois Pension Code
30 is also an "employee" for the purposes of this Act.
31 "Employee" also includes any person receiving or eligible for
32 benefits under a sick pay plan established in accordance with
33 Section 36 of the State Finance Act. "Employee" also includes
34 each officer or employee in the service of a qualified local

1 government, including persons appointed as trustees of
2 sanitary districts regardless of hours devoted to the service
3 of the sanitary district, and each employee in the service of
4 a qualified rehabilitation facility and each full-time
5 employee in the service of a qualified domestic violence
6 shelter or service, as determined according to rules
7 promulgated by the Director.

8 (l) "Member" means an employee, annuitant, retired
9 employee or survivor.

10 (m) "Optional coverages or benefits" means those
11 coverages or benefits available to the member on his or her
12 voluntary election, and at his or her own expense.

13 (n) "Program" means the group life insurance, health
14 benefits and other employee benefits designed and contracted
15 for by the Director under this Act.

16 (o) "Health plan" means a health benefits program
17 offered by the State of Illinois for persons eligible for the
18 plan.

19 (p) "Retired employee" means any person who would be an
20 annuitant as that term is defined herein but for the fact
21 that such person retired prior to January 1, 1966. Such term
22 also includes any person formerly employed by the University
23 of Illinois in the Cooperative Extension Service who would be
24 an annuitant but for the fact that such person was made
25 ineligible to participate in the State Universities
26 Retirement System by clause (4) of subsection (a) of Section
27 15-107 of the Illinois Pension Code.

28 (q) "Survivor" means a person receiving an annuity as a
29 survivor of an employee or of an annuitant. "Survivor" also
30 includes: (1) the surviving dependent of a person who
31 satisfies the definition of "employee" except that such
32 person is made ineligible to participate in the State
33 Universities Retirement System by clause (4) of subsection
34 (a) of Section 15-107 of the Illinois Pension Code; and (2)

1 the surviving dependent of any person formerly employed by
2 the University of Illinois in the Cooperative Extension
3 Service who would be an annuitant except for the fact that
4 such person was made ineligible to participate in the State
5 Universities Retirement System by clause (4) of subsection
6 (a) of Section 15-107 of the Illinois Pension Code.

7 (q-5) "New SERS survivor" means a survivor, as defined
8 in subsection (q), whose annuity is paid under Article 14 of
9 the Illinois Pension Code and is based on the death of (i) an
10 employee whose death occurs on or after January 1, 1998, or
11 (ii) a new SERS annuitant as defined in subsection (b-5).

12 (q-6) "New SERS survivor" means a survivor, as defined
13 in subsection (q), whose annuity is paid under Article 15 of
14 the Illinois Pension Code and is based on the death of (i) an
15 employee whose death occurs on or after January 1, 1998, or
16 (ii) a new SERS annuitant as defined in subsection (b-6).

17 (q-7) "New TRS State survivor" means a survivor, as
18 defined in subsection (q), whose annuity is paid under
19 Article 16 of the Illinois Pension Code and is based on the
20 death of (i) an employee who is a teacher as defined in
21 paragraph (2), (3), or (5) of Section 16-106 of that Code and
22 whose death occurs on or after July 1, 1998, or (ii) a new
23 TRS State annuitant as defined in subsection (b-7).

24 (r) "Medical services" means the services provided
25 within the scope of their licenses by practitioners in all
26 categories licensed under the Medical Practice Act of 1987.

27 (s) "Unit of local government" means any county,
28 municipality, township, school district (including a
29 combination of school districts under the Intergovernmental
30 Cooperation Act), special district or other unit, designated
31 as a unit of local government by law, which exercises limited
32 governmental powers or powers in respect to limited
33 governmental subjects, any not-for-profit association with a
34 membership that primarily includes townships and township

1 officials, that has duties that include provision of research
2 service, dissemination of information, and other acts for the
3 purpose of improving township government, and that is funded
4 wholly or partly in accordance with Section 85-15 of the
5 Township Code; any not-for-profit corporation or association,
6 with a membership consisting primarily of municipalities,
7 that operates its own utility system, and provides research,
8 training, dissemination of information, or other acts to
9 promote cooperation between and among municipalities that
10 provide utility services and for the advancement of the goals
11 and purposes of its membership; the Southern Illinois
12 Collegiate Common Market, which is a consortium of higher
13 education institutions in Southern Illinois; and the Illinois
14 Association of Park Districts. "Qualified local government"
15 means a unit of local government approved by the Director and
16 participating in a program created under subsection (i) of
17 Section 10 of this Act.

18 (t) "Qualified rehabilitation facility" means any
19 not-for-profit organization that is accredited by the
20 Commission on Accreditation of Rehabilitation Facilities or
21 certified by the Department of Human Services (as successor
22 to the Department of Mental Health and Developmental
23 Disabilities) to provide services to persons with
24 disabilities and which receives funds from the State of
25 Illinois for providing those services, approved by the
26 Director and participating in a program created under
27 subsection (j) of Section 10 of this Act.

28 (u) "Qualified domestic violence shelter or service"
29 means any Illinois domestic violence shelter or service and
30 its administrative offices funded by the Department of Human
31 Services (as successor to the Illinois Department of Public
32 Aid), approved by the Director and participating in a program
33 created under subsection (k) of Section 10.

34 (v) "TRS benefit recipient" means a person who:

1 (1) is not a "member" as defined in this Section;
2 and

3 (2) is receiving a monthly benefit or retirement
4 annuity under Article 16 of the Illinois Pension Code;
5 and

6 (3) either (i) has at least 8 years of creditable
7 service under Article 16 of the Illinois Pension Code, or
8 (ii) was enrolled in the health insurance program offered
9 under that Article on January 1, 1996, or (iii) is the
10 survivor of a benefit recipient who had at least 8 years
11 of creditable service under Article 16 of the Illinois
12 Pension Code or was enrolled in the health insurance
13 program offered under that Article on the effective date
14 of this amendatory Act of 1995, or (iv) is a recipient or
15 survivor of a recipient of a disability benefit under
16 Article 16 of the Illinois Pension Code.

17 (w) "TRS dependent beneficiary" means a person who:

18 (1) is not a "member" or "dependent" as defined in
19 this Section; and

20 (2) is a TRS benefit recipient's: (A) spouse, (B)
21 dependent parent who is receiving at least half of his or
22 her support from the TRS benefit recipient, or (C)
23 unmarried natural or adopted child who is (i) under age
24 19, or (ii) enrolled as a full-time student in an
25 accredited school, financially dependent upon the TRS
26 benefit recipient, eligible to be claimed as a dependent
27 for income tax purposes, and either is under age 24 or
28 was, on January 1, 1996, participating as a dependent
29 beneficiary in the health insurance program offered under
30 Article 16 of the Illinois Pension Code, or (iii) age 19
31 or over who is mentally or physically handicapped.

32 (x) "Military leave with pay and benefits" refers to
33 individuals in basic training for reserves, special/advanced
34 training, annual training, emergency call up, or activation

1 by the President of the United States with approved pay and
2 benefits.

3 (y) "Military leave without pay and benefits" refers to
4 individuals who enlist for active duty in a regular component
5 of the U.S. Armed Forces or other duty not specified or
6 authorized under military leave with pay and benefits.

7 (z) "Community college benefit recipient" means a person
8 who:

9 (1) is not a "member" as defined in this Section;
10 and

11 (2) is receiving a monthly survivor's annuity or
12 retirement annuity under Article 15 of the Illinois
13 Pension Code; and

14 (3) either (i) was a full-time employee of a
15 community college district or an association of community
16 college boards created under the Public Community College
17 Act (other than an employee whose last employer under
18 Article 15 of the Illinois Pension Code was a community
19 college district subject to Article VII of the Public
20 Community College Act) and was eligible to participate in
21 a group health benefit plan as an employee during the
22 time of employment with a community college district
23 (other than a community college district subject to
24 Article VII of the Public Community College Act) or an
25 association of community college boards, or (ii) is the
26 survivor of a person described in item (i).

27 (aa) "Community college dependent beneficiary" means a
28 person who:

29 (1) is not a "member" or "dependent" as defined in
30 this Section; and

31 (2) is a community college benefit recipient's: (A)
32 spouse, (B) dependent parent who is receiving at least
33 half of his or her support from the community college
34 benefit recipient, or (C) unmarried natural or adopted

1 child who is (i) under age 19, or (ii) enrolled as a
2 full-time student in an accredited school, financially
3 dependent upon the community college benefit recipient,
4 eligible to be claimed as a dependent for income tax
5 purposes and under age 23, or (iii) age 19 or over and
6 mentally or physically handicapped.

7 (Source: P.A. 91-390, eff. 7-30-99; 91-395, eff. 7-30-99;
8 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; 92-186, eff.
9 1-1-02; 92-204, eff. 8-1-01; 92-651, eff. 7-11-02.)

10 Section 890-43. The Build Illinois Act is amended by
11 changing Section 8-3 as follows:

12 (30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

13 Sec. 8-3. Powers of the Department. The Department has
14 the power to:

15 (a) provide business development public infrastructure
16 loans or grants from appropriations from the Build Illinois
17 Bond Fund, the Build Illinois Purposes Fund, the Fund for
18 Illinois' Future, and the Public Infrastructure Construction
19 Loan Fund to local governments to provide or improve a
20 community's public infrastructure so as to create or retain
21 private sector jobs pursuant to the provisions of this
22 Article;

23 (b) provide affordable financing of public
24 infrastructure loans and grants to, or on behalf of, local
25 governments, local public entities, medical facilities, and
26 public health clinics from appropriations from the Public
27 Infrastructure Construction Loan Fund for the purpose of
28 assisting with the financing, or application and access to
29 financing, of a community's public infrastructure necessary
30 to health, safety, and economic development;

31 (c) enter into agreements, accept funds or grants, and
32 engage in cooperation with agencies of the federal

1 government, or state or local governments to carry out the
2 purposes of this Article, and to use funds appropriated
3 pursuant to this Article to participate in federal
4 infrastructure loan and grant programs upon such terms and
5 conditions as may be established by the federal government;

6 (d) establish application, notification, contract, and
7 other procedures, rules, or regulations deemed necessary and
8 appropriate to carry out the provisions of this Article;

9 (e) coordinate assistance under this program with
10 activities of the Illinois Development Finance Authority in
11 order to maximize the effectiveness and efficiency of State
12 development programs;

13 (f) coordinate assistance under the Affordable Financing
14 of Public Infrastructure Loan and Grant Program with the
15 activities of the Illinois Development Finance Authority,
16 Illinois Finance Authority Rural--Bend-Bank, Illinois Farm
17 Development Authority, Illinois Housing Development
18 Authority, Illinois Environmental Protection Agency, and
19 other federal and State programs and entities providing
20 financing assistance to communities for public health,
21 safety, and economic development infrastructure;

22 (f-5) provide staff, administration, and related support
23 required to manage the programs authorized under this Article
24 and pay for the staffing, administration, and related support
25 from the Public Infrastructure Construction Loan Revolving
26 Fund;

27 (g) exercise such other powers as are necessary or
28 incidental to the foregoing.

29 (Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

30 Section 890-44. The Illinois Pension Code is amended by
31 changing Section 14-103.04 as follows:

32 (40 ILCS 5/14-103.04) (from Ch. 108 1/2, par. 14-103.04)

1 Sec. 14-103.04. Department. "Department": Any
2 department, institution, board, commission, officer, court,
3 or any agency of the State having power to certify payrolls
4 to the State Comptroller authorizing payments of salary or
5 wages against State appropriations, or against trust funds
6 held by the State Treasurer, except those departments
7 included under the term "employer" in the State Universities
8 Retirement System. "Department" includes the Illinois
9 Development Finance Authority. "Department" also includes
10 the Illinois Comprehensive Health Insurance Board and the
11 Illinois Finance Authority Rural-Bond-Bank.
12 (Source: P.A. 90-511, eff. 8-22-97.)

13 Section 890-90. The following Acts are repealed:

14 (20 ILCS 3505/Act rep.)

15 The Illinois Development Finance Authority Act.

16 (20 ILCS 3605/Act rep.)

17 The Illinois Farm Development Act.

18 (20 ILCS 3705/Act rep.)

19 The Illinois Health Facilities Authority Act.

20 (20 ILCS 3850/Act rep.)

21 The Illinois Research Park Authority Act.

22 (30 ILCS 360/Act rep.)

23 The Rural Bond Bank Act.

24 (110 ILCS 1015/Act rep.)

25 The Illinois Educational Facilities Authority Act.

26 (315 ILCS 15/Act rep.)

1 The Illinois Community Development Finance Corporation
2 Act.

3 ARTICLE 999

4 Section 999-99. Effective date. This Act takes effect
5 on January 1, 2004."